

City of
WHITEWATER

Doug Saubert
Finance Director
P.O. Box 690
Whitewater, WI 53190

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Date: November 14, 2011

Jeffrey Ripp
Division of Water, Compliance and Consumer Affairs
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Dear Mr.: Ripp

We hereby notify the Public Service Commission that we are placing into effect the rates and rules authorized by the Commission in its Final Decision dated November 11, 2011, in Docket 6520-WR-104.

Copies of the newly authorized rates and rules have been placed in all offices and stations of the utility as of November 17, 2011.

Check the appropriate space:

We will prorate effective as of this date: _____.

We will not prorate, therefore the rates will be effective for service rendered on and after our next meter reading date which is November 22, 2011.

Please regard this letter as the filing of the new rates and rules with the Commission in accordance with Wis. Stat. §§ 196.19 and 196.21, and with the provisions of the Final Decision in said docket.

Signed

Doug Saubert Finance Director - City of Whitewater
(Name)
Whitewater Municipal Water Utility
(Utility)
312 West Whitewater Street
(Address)
Whitewater, WI 53190

COPY



Public Service Commission of Wisconsin

Phil Montgomery, Chairperson
Eric Callisto, Commissioner
Ellen Nowak, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

November 11, 2011 – VIA EMAIL

Mr. Doug Saubert, Finance Director
Whitewater Municipal Utility
312 W. Whitewater Street
Whitewater, Wisconsin 53190
Email: dsaubert@whitewater-wi.gov

Re: Application of Whitewater Municipal Water Utility,
Jefferson and Walworth Counties, Wisconsin, for Authority
to Increase Water Rates

6520-WR-104

Dear Mr. Saubert:

The Public Service Commission (Commission) recently issued the Final Decision in Docket 6520-WR-104 authorizing increased rates and revised rules for the Whitewater Municipal Water Utility (utility). The Final Decision specifies certain legal requirements which must be met by your utility before the new rates and rules can be made effective in accordance with Wis. Stats. §§ 196.19, 196.21, and 196.40.

The purpose of this letter is to explain the legal requirements and to assist you in making the new rates and rules effective at the earliest allowable date. The earliest allowable effective date of the new rates and rules is one day after the date of mailing of the Final Decision. To enable the earliest billing of the new rates, your utility must:

1. Prior to the effective date, place a copy of the new rates and rules in all utility offices and stations where customers pay their utility bill (posting copies of the Commission Final Decision in addition to your existing rate file is sufficient for this purpose). (Wis. Admin. Code § PSC 185.22(1))
2. Send a letter to the Commission indicating that the utility has adopted the new rates and rules. (Wis. Admin. Code § PSC 185.21)

Proration of the new rates is acceptable and should be calculated using the effective date of the new rates as explained above. If the utility does not wish to prorate, the new rates should be charged for service rendered on and after the next regularly scheduled meter reading following the completion of the above-stated requirements.

Enclosed is a form letter which should be completed and returned to the Commission via the Electronic Regulatory Filing (ERF) System at http://psc.wi.gov/apps35/erf_public/default.aspx on our website. This letter will indicate that your utility has completed the requirements and will

Mr. Doug Saubert
6520-WR-104
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be used to determine the effective date of the new rates and rules. Upon receipt of said letter, we will have the new rates and rules typed and placed in your official rate file. A copy will be sent to you which you should use to replace the old rates and rules in your copy of the rate file.

If you have any questions, please call me at (608) 267-9813.

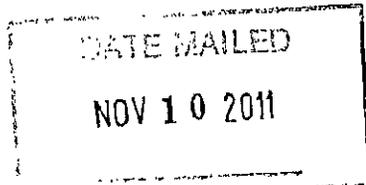
Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Ripp". The signature is stylized and written in cursive.

Jeffrey Ripp
Docket Coordinator

cc: Lawrie Kobza, Boardman, Suhr, Curry & Field, lkobza@boardmanlawfirm.com
Kira Loehr, Citizen's Utility Board, loehr@wiscub.org
Jeffrey Vercauteren, Cullen, Weston, Pines, & Bach, LLP, vercauteren@cwpb.com

JJR:DL:00168762



BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Whitewater Municipal Water Utility, Jefferson
and Walworth Counties, Wisconsin, for Authority to Increase
Water Rates

6520-WR-104

FINAL DECISION

This is the Final Decision in the Class 1 proceeding conducted by the Public Service Commission (Commission) on the application of Whitewater Municipal Water Utility (applicant) for approval to increase water rates. This application is APPROVED subject to conditions.

Introduction

The applicant applied to the Commission on April 29, 2011, for authority to increase water rates. On July 14, 2011, a prehearing conference was held at the Commission to determine the issues that would be addressed in this docket and to establish a schedule for the hearings. Pursuant to due notice, the Commission held a telephonic hearing at Madison and Whitewater on August 23, 2011, before Administrative Law Judge Michael E. Newmark. The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. No members of the public attended the hearing.

Findings of Fact

1. It is reasonable to reduce Commission staff's estimate of costs in Account 926, Employee Pensions and Benefits, by \$15,000.
2. A reasonable estimate of usage for the public authority class for the test year is 78,427,000 gallons.

3. It is reasonable to allocate contributions of \$402,171 as transmission main rather than distribution main.

4. It is reasonable to allocate distribution system costs to all customers because all customers benefit from the system.

5. It is not reasonable to reduce supply plant cost allocations to any individual customer based on contributions in aid of construction (CIAC) made by that customer.

6. It is reasonable to revise customer class maximum hour and maximum day demand ratios for the residential, commercial, industrial, and public authority customer classes based on water use trends and experience with similar-sized systems.

7. The applicant's presently authorized rates for water utility service will produce operating revenues of \$1,428,561 for the 2011 test year. These rates fall short of the test year revenue needed by \$292,243. Presently authorized water rates are therefore unreasonable because they fail to produce appropriate revenues for the test year.

8. The estimated net investment rate base applicable to water utility operations for the 2011 test year is \$6,035,402.

9. The rate changes set forth for water service in Appendix C will permit the applicant to earn the necessary revenue requirement and are consistent with the cost of service and rate design.

Conclusions of Law

1. The applicant is a municipal public utility as defined in Wis. Stat. § 196.01(5)(a).
2. The Commission has authority under Wis. Stat. §§ 196.03(1) and (3), 196.19, 196.20, 196.22, 196.37(1), (2), and (3), 196.395, and 196.40 to authorize the applicant to increase water utility rates and revise tariff provisions.

Opinion

Net Investment Rate Base

The estimated net investment rate base for the 2011 test year is as follows:

Utility Financed Plant in Service	\$9,422,669
Less: Accumulated Provision for Depreciation	<u>\$2,760,283</u>
Net Plant in Service	\$6,662,386
Plus: Materials and Supplies	10,408
Less: Regulatory Liability for Pre-2003 Accumulated Depreciation - CIAC	<u>637,392</u>
Net Investment Rate Base	<u>\$6,035,402</u>

Comparative Income Statement

The estimated test year income statement showing the effect of the increase in revenue which will result from authorized rates is as follows:

	<u>At Present Rates</u>	<u>Authorized Increase</u>	<u>After Rate Increase</u>
Operating Revenues	\$1,428,561	\$292,243	\$1,720,804
Operating Expenses:			
Oper. & Maint. Exp.	\$859,103		\$859,103
Depreciation	209,950		209,950
Taxes & Tax Equiv.	<u>289,626</u>		<u>289,626</u>
Total Oper. Expenses	<u>\$1,358,679</u>		<u>\$1,358,679</u>
Oper. Income (or Loss)	<u>\$69,882</u>		<u>\$362,125</u>
Rate of Return	1.16%		6.00%

The depreciation expense included in the revenue requirement for the 2011 test year was computed using the depreciation rates shown in Appendix E. These depreciation rates are effective on January 1, 2011, for computing the depreciation expense on the average investment for each plant account.

Capital Structure

The applicant requested a return on net investment rate base of 6.00 percent. The applicant's capital employed in providing public utility service that is associated with the net investment rate base is estimated to be 69.83 percent municipal equity and 30.17 percent long-term debt. The composite cost of debt is 3.10 percent. A return on rate base of 6.00 percent will provide a 7.25 percent return on municipal earning equity and adequate times interest coverage.

Test Year Expenses

LS Power (LSP), a party in this case, claimed that Commission staff overstated the applicant's test year operation and maintenance expenses by \$98,370. The Commission finds that estimated test year expenditures, as shown in Exhibit 27 of the hearing record, are

Docket 6520-WR-104

reasonable, with the exception of Account 926, Employee Pension and Benefits. The Commission finds it reasonable to reduce the test year estimate in this account by \$15,000, from \$135,381 to \$120,381, to reflect known and measurable pension and benefit savings as the result of 2011 Wisconsin Act 10, which was enacted on March 11, 2011.

Public Authority Sales

LSP claimed that Commission staff underestimated sales to the public authority class because the largest public authority customer, the University of Wisconsin – Whitewater (UW-Whitewater) is constructing new residence hall units that will result in increased water usage. The applicant testified that UW-Whitewater is replacing older residence hall units with newer units that are more water efficient and has made other operational changes to reduce water usage. The applicant also testified that the estimated usage of 78,427,000 gallons for the public authority class is similar to the 3-year and 5-year historic average usage for this class. The Commission finds the estimated test year usage of 78,427,000 gallons to be reasonable.

Utility Financed Main

LSP claimed that \$402,171 in contributed plant should be allocated to transmission mains rather than distribution mains under Account 343, Mains. Commission staff and the applicant agreed with this reallocation. The Commission finds it reasonable to allocate LSP's contribution of \$402,171 to transmission mains rather than distribution mains.

While the overall utility-financed balance of this account does not change, the net result is that the utility-financed balance for distribution mains increased by \$402,171 and the utility-financed balance for transmission decreases by the same amount. In general, costs associated with transmission mains are allocated more to the maximum day cost function while costs

associated with distribution mains are allocated more to the maximum hour cost function. The reallocation results in minor adjustments to the revenue requirement for each customer class.

Distribution System Costs

The record indicates that LSP is served by a 16-inch transmission main. LSP claimed that because it does not benefit from smaller diameter mains, it should not be allocated any of the distribution system costs associated with such mains. The applicant testified that the system is operated as an integrated network of wells, pumps, mains, and storage facilities that serves all customers, and that LSP does in fact benefit from the distribution system. Commission staff noted that utility costs, including distribution system costs, are typically allocated using a system averaging approach that requires all customers of a utility to share proportionately in the costs of operating the system, regardless of whether they benefit directly from a particular component.

The Commission finds that LSP receives at least an indirect benefit from smaller distribution mains and that the average-cost approach proposed by Commission staff is reasonable because it allows for the recovery of costs in an equitable and predictable manner. The Commission also concludes that apportioning the costs of specific system components to individual customers would add to the complexity of the cost of service study without significantly improving its accuracy or fairness.

Customer Contributions for Supply Plant

LSP claimed that Commission staff's allocation of supply plant cost does not account for more than \$2.5 million in contributions that it made towards the construction of Well 9 and associated facilities. LSP further argued that because Well 9 has sufficient capacity to meet its needs, it should not be allocated any additional supply plant costs. The applicant disagreed that

Well 9 is sufficient to meet LSP's needs and testified that other facilities also supply water to LSP. In addition, the applicant testified that LSP's contribution was treated in the same manner as plant contributed by other customers. Once a customer makes a contribution, the contributed plant becomes part of the overall system that benefits all customers. Commission staff testified that the facilities contributed by LSP were treated exactly the same as contributions from other customers on the system, and that this approach is consistent with past Commission practice.

The Commission finds that the allocation of supply plant costs, as proposed by Commission staff, is reasonable. The Commission also finds that it would be unreasonable and impractical to make adjustments to the cost of service study to reflect contributions made by a specific customer.

Customer Demand Ratios

Customer demand ratios estimate the relationship between a customer class' average demand and its extra demand during the system maximum hour and maximum day. Commission staff adjusted the customer class demand ratios for the residential, commercial, industrial, and public authority classes. Commission staff did not adjust the class ratios for LSP, which was treated as its own customer class. Commission staff testified that the revisions were necessary to reflect changes in demand patterns since the utility's last rate case. Commission staff also testified that because actual customer demand data is generally not available, these numbers were estimated based on experience with similar-sized systems and based on statewide trends in residential and commercial water use. LSP claimed that there was no basis to adjust the customer demand ratios for the other customer classes and that it is inappropriate to use data from comparable systems because each utility is unique.

The Commission finds that the customer demand ratios used by Commission staff are reasonable. The Commission agrees that each utility is unique and that it is preferable to develop customer demand ratios using actual system data. Nonetheless, it is not unreasonable to update customer demand ratios, when such adjustments are warranted, based on estimates developed through experience with systems with similar customer class demands.

Cost of Service

Commission staff submitted for the record an analysis of the cost of supplying water for general service and for public fire protection service. Commission staff used the base-extra capacity cost allocation method for the analysis. Under this method, the operating expenses are allocated first to the service cost functions of extra-capacity maximum-day and maximum-hour demand, base, customer, and fire protection and then to each of the customer classes served. Summaries of such analyses, based on allocations that are reasonable and just, are shown in Schedules 8 and 11 of Exhibit 27 of the record in this proceeding.

Appendix B shows the customer class revenue requirements resulting from the cost analysis compared with revenues at authorized rates. Appendix B includes the effects of the changes made to Commission staff's cost of service study as a result of this Order. These adjustments result in a net decrease of \$2,817 in the revenue requirement for LSP.

Rates

Water service rates authorized in this decision will result in an estimated net operating income of approximately \$362,125 which provides a 6.00 percent return on the water utility net investment rate base of \$6,035,402. The applicant was provided with Commission staff's proposed rates for review prior to the hearing and had no objection to these rates.

As shown in attached Appendix B, the base-extra capacity cost allocation method results in a relatively wide range of increases in the charges to the various general service customer classes to reflect the cost of providing service to such classes. The percentage rate increase to any individual customer will not necessarily equal the overall percentage increase to the associated customer class, but will depend on the specific usage level of that customer.

The applicant requested an inclining block rate structure for residential customers and a declining block rate structure for nonresidential customers (commercial, industrial, and public authority). The inclining block rate structure will send a price signal that will encourage high-volume residential customers to use water more efficiently, without being unduly punitive, and will also mitigate the rate increase to customers who use water more efficiently.

The authorized rates as set forth in Appendix C are based on the cost of supplying various classes or types of service. These rates are reasonable and just. All customers will be required to pay an appropriate amount for the service provided.

In order to evaluate the effects of this rate structure on residential water usage, the applicant is directed to submit a report to the Commission no later than 13 months after the effective date of the new rates. This report shall include information for the 12-month period immediately following the implementation of these rates including an analysis of the effects of the inclining block rates on water usage and revenues, the number of customers and the volume of sales in each block for each billing period, and a description of the measures taken to educate residential customers about the rate structure and its intended purpose.

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Some typical water bills for residential, commercial, industrial, and public authority customers were computed using Schedule Mg-1 to compare existing rates with the new rates. That comparison is set forth in Appendix D.

The overall increase in annual revenues is 22 percent, comprised of a 21 percent increase in general service charges and a 25 percent increase in fire protection charges. A typical residential customer's bill will rise 15 percent. Rates have risen because of a 34 percent increase in gross plant investment and a 34 percent increase in operating expenses since the applicant's last rate case in 2004. The typical bills calculated using the authorized rates are below average when compared with those of similar water utilities in the state.

The annual public fire protection charge will increase by 25 percent, compared to a 21 percent increase in general service charges. The larger increase in the public fire protection charge results because a greater proportion of the annual operating costs is allocated to fire protection than was allocated at the time of the applicant's last rate proceeding, based on current ratios of maximum general service demand to available system fire protection capacity. The larger increase in the public fire protection charge is reasonable in that it appropriately reflects the cost of providing service.

The authorized general service rates provide a greater percentage increase to large-volume users than for average residential customers. This greater increase is caused by the relatively larger increases in the rates for the high-volume rate blocks based on the results of the base-extra capacity cost allocation as discussed above. The greater increase to large-volume users is reasonable in that the authorized rates more appropriately reflect the cost of providing service than do the present rates.

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The applicant has agreed to revise its rules to be consistent with those of other Wisconsin water utilities. The proposed rules were incorporated into the record by receipt of Exhibit 27 which incorporates the rules by reference. The proposed rules are reasonable and just and in accordance with Commission policy and the Wisconsin Administrative Code.

The applicant bills monthly. The authorized rates and tariff provisions for water service shall be made effective as soon as possible after issuance of this decision in accordance with Wis. Stat. §§ 196.21 and 196.40.

Effective Date

The test year commenced on January 1, 2011. Under Wis. Stat. § 196.40, an order of the Commission shall take effect 20 days after it has been filed and served on the parties to the proceeding, unless the Commission specifies a different effective date in the order. The Commission finds it reasonable for this Final Decision to take effect one day after the date of mailing. Pursuant to Wis. Stat. §§ 196.19 and 196.21, the changes in rates and tariff provisions that are authorized in this Final Decision take effect as described below.

The Commission finds it reasonable for the authorized rate increases and all tariff provisions to take effect no sooner than one day after the date of mailing, provided that these rates and tariff provisions are filed with the Commission and placed in all offices and pay stations of the utility.

Order

1. This Final Decision takes effect one day after the mailing date.
2. The authorized rate increases and tariff provisions shall take effect no sooner than one day after the utility files these rates and tariff provisions with the Commission and places them in all of the utility's offices and pay stations.
3. The rates approved in this docket are to be made effective no later than 90 days from the mailing date of this Final Decision or as directed by the Commission or Commission staff.
4. The applicant shall inform each customer of the new rates as required by Wis. Admin. Code § PSC 185.33(1). In addition, the applicant shall provide information to its residential customers regarding the conservation-oriented water rate structure. This shall include information to assist customers in interpreting their bill and steps customers can take to reduce their water usage. This information may be provided on the utility's web site.
5. The applicant shall report to the Commission no later than 13 months after the effective date of the new rates. This report shall include information for the 12-month period immediately following the implementation of these rates, including:
 - a. An analysis of the effects of the inclining block rates on water usage and revenues;
 - b. The number of customers and the volume of sales in each block for each billing period; and
 - c. A description of any measures taken to educate residential customers about the conservation rate structure and its intended purpose.

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6. The Commission retains jurisdiction.

Dated at Madison, Wisconsin, 11/8/11

For the Commission:



John J. Schulze, Jr.

Administrator

Division of Water, Compliance, and Consumer Affairs

JJS:JJR:pc:g:\order\pending\6520-WR-104

See attached Notice of Appeal Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
610 North Whitney Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of mailing of this decision, as provided in Wis. Stat. § 227.49. The mailing date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of mailing of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of mailing of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission mailed its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: December 17, 2008

¹ See *State v. Carrier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

APPENDIX A
(CONTESTED)

In order to comply with Wis. Stat. § 227.47, the following parties who appeared before the agency are considered parties for the purposes of review under Wis. Stat. § 227.53.

WHITEWATER MUNICIPAL WATER UTILITY (applicant), by:

Lawrie Kobza, Attorney
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LS POWER, LLP, by:

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CITIZEN'S UTILITY BOARD, by:

Kira Lochr, Attorney
Citizen's Utility Board
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Madison, WI 53703
(608) 251-3322 ext. 12
Email: loerh@wiscub.org

FOR THE COMMISSION:

David Albino, Assistant General Counsel
Office of General Counsel

OF THE COMMISSION STAFF:

Jeffrey Ripp, Assistant Administrator
Kathleen Butzlaff, Lead Auditor
John Schulze Jr., Division Administrator
Division of Water, Compliance and Consumer Affairs

No members of the public attended the hearing.

WHITEWATER MUNICIPAL WATER UTILITY
Comparison of Revenue
at
Present Rates, Cost of Service and Authorized Rates

Customer Class	Cost of Service			Authorized Rates		
	Revenue at Present Rates	Revenue Required	Increase over Present Rates	Revenue	Increase over Present Rates	Percent of Cost of Service
Residential	\$432,128	\$485,412	12%	\$492,353	14%	101%
Commercial	\$168,846	\$201,112	19%	\$200,947	19%	100%
Industrial	\$29,136	\$32,691	12%	\$36,093	24%	110%
Public Authority	\$123,163	\$165,168	34%	\$155,229	26%	94%
LS Power	\$239,802	\$321,749	34%	\$320,752	34%	100%
Public Fire Protection (Total)	<u>\$318,970</u>	<u>\$398,156</u>	25%	<u>\$398,681</u>	25%	100%
Total	<u>\$1,312,045</u>	<u>\$1,604,288</u>	22%	<u>\$1,604,055</u>	22%	100%

WHITEWATER MUNICIPAL WATER UTILITY
AUTHORIZED WATER RATES AND RULES

Public Fire Protection Service - - - F-1

Public fire protection service includes the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

Under Wis. Stat. § 196.03(3)(b), the municipality has chosen to have the utility bill the retail general service customers for public fire protection service.

The charges for public fire protection service shall be as follows:

Public Fire Protection Service Charges:

<u>Meter Size</u>	<u>Monthly</u>
5/8 -inch meter - \$	7.20
3/4 -inch meter - \$	7.20
1 -inch meter - \$	18.00
1 1/2 -inch meter - \$	35.90
2 -inch meter - \$	57.50
3 -inch meter - \$	107.80
4 -inch meter - \$	179.70
6 -inch meter - \$	359.30
8 - inch meter - \$	574.90
10 -inch meter - \$	862.40
12 -inch meter - \$	1,149.80

Customers who are provided service under Schedules Mg-1, Ug-1, or Sg-1 shall be subject to the charges in this schedule according to the size of their primary meter. Customers who are provided service under Schedule Am-1 are exempt from these charges for any additional meters.

Billing: Same as Schedule Mg-1.

Public Fire Protection Service - - - Fd-1

Delete.

Private Fire Protection Service - Unmetered - - - Upf-1

This service shall consist of permanent or continuous unmetered connections to the main for the purpose of supplying water to private fire protection systems such as automatic sprinkler systems, standpipes, and private hydrants. This service shall also include reasonable quantities of water used for testing check valves and other backflow prevention devices.

Private Fire Protection Service Demand Charges:

<u>Connection Size</u>	<u>Monthly</u>
2 - inch or smaller connection - \$	7.30
3 - inch connection - \$	13.10
4 - inch connection - \$	21.90
6 - inch connection - \$	43.80
8 - inch connection - \$	70.00
10 - inch connection - \$	105.10
12 - inch connection - \$	140.10
14 - inch connection - \$	175.10
16 - inch connection - \$	210.10

Billing: Same as Schedule Mg-1.

General Service - Metered - - - Mg-1

Service Charges (All Customer Classes):

<u>Meter Size</u>	<u>Monthly</u>
5/8 -inch meter - \$	7.10
3/4 -inch meter - \$	7.10
1 -inch meter - \$	11.00
1½ -inch meter - \$	19.00
2 -inch meter - \$	28.00
3 -inch meter - \$	45.00
4 -inch meter - \$	75.00
6 -inch meter - \$	113.00
8 -inch meter - \$	173.00
10 -inch meter - \$	251.00
12 -inch meter - \$	329.00

Plus Volume Charges:

Residential Customers:

First	2,000	gallons used per month - \$1.65 per 1,000 gallons
Over	2,000	gallons used per month - \$2.20 per 1,000 gallons

Non-Residential Customers:

First	400,000	gallons used per month - \$1.84 per 1,000 gallons
Over	400,000	gallons used per month - \$1.42 per 1,000 gallons

Residential Class includes customers who have water service provided for residential or domestic purposes. Sales through a single meter to buildings with three or more dwelling units are classified as commercial.

Nonresidential Class includes commercial, industrial, and public authority customers. Commercial customers include business entities and institutions, except governmental entities, that provide goods or services. Sales through a single meter to buildings with three or more dwelling units are classified as commercial. Churches and parochial schools are not governmental and are classified as commercial. Industrial customers include customers who are engaged in the manufacture or production of goods. Public Authority customers include any department, agency, or entity of local, state, or federal government, including public schools, colleges, and universities.

Billing: Bills for water service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 3 percent but not

less than 50 cents will be added to bills not paid within 20 days of issuance. This ONE-TIME 3 percent late payment charge will be applied only to any unpaid balance for the current billing period's usage. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 185.

Combined Metering: For residential customers, volumetric readings from all meters on a single service lateral shall be combined for billing. For nonresidential customers, volumetric readings may be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. Multiple meters placed for the purpose of identifying water that is not discharged into the sanitary sewer are not considered for utility convenience and may not be combined for billing nonresidential customers. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Volumetric readings from individually metered separate service laterals may not be combined for billing purposes.

Non-Sufficient Funds Charge - - - NSF-1

Delete.

Other Charges - - - OC-1

Non-Sufficient Funds Charge: The utility shall assess a \$25.00 charge when a payment rendered for utility service is returned for non-sufficient funds. This charge may not be in addition to, but may be inclusive of, other non-sufficient funds charges when the payment was for multiple services.

Special Billing Charge: The utility shall assess a \$10.00 charge to cover administrative expenses shall apply whenever a customer requests special billing outside of the normal utility billing.

Special Meter Reading Charge: The utility shall assess a \$15.00 charge whenever a customer requests a special meter reading by utility personnel on a date other than the regularly scheduled meter reading. This charge may not be assessed if the customer provides the meter reading.

Missed Appointment Charge: The utility shall assess a missed appointment charge if a customer schedules an appointment with utility personnel at the customer's location and, without providing reasonable cancellation notice to the utility, fails to be present. The utility may not charge for the first missed appointment during normal business hours but may apply the charge to subsequent missed appointments. The utility shall apply the charge for the first missed appointment after normal business hours.

During normal business hours:	\$10.00
After normal business hours:	\$20.00

Billing: Same as Schedule Mg-1.

Public Service - - - Mpa-1

Metered Service

Water used by the City of Whitewater on an intermittent basis for flushing sewers, street washing, flooding skating rinks, drinking fountains, etc., shall be metered and billed according to the rates set forth in Schedule Mg-1 for nonresidential customers.

Unmetered Service

Where it is impossible to meter the service, the utility shall estimate the volume of water used based on the pressure, size of opening, and the period of time the water is used. The estimated quantity shall be billed at the volumetric rates set forth in Schedule Mg-1 for nonresidential customers, excluding any service charges.

Billing: Same as Schedule Mg-1.

General Water Service - Unmetered - - - Ug-1

Service may be supplied temporarily on an unmetered basis where the utility cannot immediately install a water meter, including water used for construction. Unmetered service shall be billed the amount that would be charged to a metered residential customer using 3,000 gallons of water per month under Schedule Mg-1, including the service charge for a ¾-inch meter. If the utility determines that actual usage exceeds 3,000 gallons of water per month, an additional charge for the estimated excess usage shall be made according to the rates under Schedule Mg-1.

This schedule applies only to customers with a 1-inch or smaller service connection. For customers with a larger service connection, the utility shall install a temporary meter and charges shall be based on the rates set forth under Schedule Mg-1.

Billing: Same as Schedule Mg-1.

Seasonal, Emergency, or Temporary Service - - - Mgt-1

Delete.

Seasonal Service - - - Sg-1

A customer who voluntarily requests temporary disconnection of water service and who resumes service at the same location within 12 months may be classified as a seasonal customer, unless service is provided to another customer at that location in the intervening period. The utility shall bill a seasonal customer the applicable service charges under Schedule Mg-1, prorated for the period of voluntary disconnection, if necessary.

Seasonal service shall include customers taking service under Schedule Mg-1 or Schedule Ug-1.

Upon reconnection, the utility shall apply a charge under Schedule R-1 and require payment of any unpaid charges under this schedule.

Billing: Same as Schedule Mg-1, unless the utility and customer agree to an alternative payment schedule for the period of voluntary disconnection, such as a one-time annual payment.

Building and Construction Water Service - - - Mz-1

Delete.

Bulk Water - - - BW-1

All bulk water supplied from the water system through hydrants or other connections shall be metered or estimated by the utility. Utility personnel or a party approved by the utility shall supervise the delivery of water.

Bulk water sales are:

- A. Water supplied by tank trucks or from hydrants for the purpose of extinguishing fires outside the utility's service area;
- B. Water supplied by tank trucks or from hydrants for purposes other than extinguishing fires, such as water used for irrigation or filling swimming pools; or,

- C. Water supplied from hydrants or other temporary connections for general service type applications, except that Schedule Ug-1 applies for water supplied for construction purposes.

A service charge of \$35.00 and a charge for the volume of water used shall be billed to the party using the water. The volumetric charge shall be calculated using the highest volumetric rate for residential customers under Schedule Mg-1. In addition, for meters that are assigned to bulk water customers for more than 7 days, the applicable service charge in Schedule Mg-1 will apply after the first 7 days.

The water utility may require a reasonable deposit for the temporary use of its equipment under this and other rate schedules. The deposit(s) collected shall be refunded upon return of the utility's equipment. Damaged or lost equipment shall be repaired or replaced at the customer's expense.

Billing: Same as Schedule Mg-1.

Additional Meter Rental Charge - - - Am-1

Upon request, the utility shall furnish and install additional meters to:

- A. Water service customers for the purpose of measuring the volume of water used that is not discharged into the sanitary sewer system; and
- B. Sewerage service customers who are not customers of the water utility for the purpose of determining the volume of sewage that is discharged into the sanitary sewer system.

The utility shall charge a meter installation charge of \$35.00 and a monthly rental fee for the use of this additional meter.

Monthly Additional Meter Rental Charges:

5/8 -inch meter - \$	4.00
3/4 -inch meter - \$	4.00
1 -inch meter - \$	7.00
1 1/2 -inch meter - \$	12.00
2 -inch meter - \$	18.00

This schedule applies only if the additional meter is installed on the same service lateral as the primary meter and either:

- A. The additional meter is ¾-inch or smaller if the metering configuration is the Addition Method; or
- B. The additional meter is 2-inch or smaller for all other metering configurations.

If the additional meter is larger than 2-inch or larger than ¾-inch and installed in the Addition Method, each meter shall be treated as a separate account and Schedule Mg-1 rates shall apply.

Billing: Same as Schedule Mg-1.

Reconnection Charges - - - R-1

The utility shall assess a charge to reconnect a customer, which includes reinstalling a meter and turning on the valve at the curb stop, if necessary. A utility may not assess a charge for disconnecting a customer.

During normal business hours:	\$35.00
After normal business hours:	\$60.00

Billing: Same as Schedule Mg-1.

Reconnection Charges - - - R-2

Delete.

Water Lateral Installation Charge - - - Cz-1

The utility shall charge a customer for the actual cost of installing a water service lateral from the main through curb stop and box if these costs are not contributed as part of a subdivision development or otherwise recovered under Wis. Stats. Chapter 66.

Billing: Same as Schedule Mg-1.

Rules and Regulations - - - X-1

Delete Schedule X-1. Incorporate the operating rules for municipal water utilities as provided by the Public Service Commission.

Water Main Extension Rule - - - X-2

Water mains will be extended for new customers on the following basis:

- A. Where the cost of the extension is to immediately be collected through assessment by the municipality against the abutting property, the procedure set forth under Wis. Stat. § 66.0703 will apply, and no additional customer contribution to the utility will be required.
- B. Where the municipality is unwilling or unable to make a special assessment, the extension will be made on a customer-financed basis as follows:
 - 1. The applicant(s) will advance as a contribution in aid of construction the total amount equivalent to that which would have been assessed for all property under A.
 - 2. Part of the contribution required in B.1. will be refundable. When additional customers are connected to the extended main within 10 years of the date of completion, contributions in aid of construction will be collected equal to the amount which would have been assessed under A. for the abutting property being served. This amount will be refunded to the original contributor(s). In no case will the contributions received from additional customers exceed the proportionate amount which would have been required under A., nor will it exceed the total assessable cost of the original extension.
- C. When a customer connects to a transmission main or connecting loop installed at utility expense within 10 years of the date of completion, there will be a contribution required of an amount equivalent to that which would have been assessed under A.

Water Main Installations in Platted Subdivisions - - - X-3

Application for installation of water mains in regularly platted real estate development subdivisions shall be filed with the utility.

If the developer, or a contractor employed by the developer, is to install the water mains (with the approval of the utility), the developer shall be responsible for the total cost of construction.

If the utility or its contractor is to install the water mains, the developer shall be required to advance to the utility, prior to the beginning of the construction, the total estimated cost of the extension. If the final costs exceed estimated costs, an additional billing will be made for the balance of the cost due. This balance is to be paid within 30 days. If final costs are less than estimated, a refund of the overpayment will be made by the water utility.

WHITEWATER MUNICIPAL WATER UTILITY

Customer Water Bill Comparison at Present and Authorized Rates

Customer Type	Meter Size (Inches)	Volume (1000 Gallons)	Quarterly			Quarterly Including Public Fire Protection		
			Bills at Old Rates	Bills at New Rates	Percent Change	Bills at Old Rates	Bills at New Rates	Percent Change
Small Residential	3/4	5	\$27.01	\$29.55	9%	\$44.27	\$51.15	16%
Average Residential	3/4	10	\$36.11	\$40.00	11%	\$53.37	\$61.60	15%
Large Residential	3/4	25	\$63.41	\$73.00	15%	\$80.67	\$94.60	17%
Large Residential	3/4	50	\$105.31	\$128.00	22%	\$122.57	\$149.60	22%
Large Residential	1	100	\$185.30	\$249.70	35%	\$228.44	\$303.70	33%
Large Residential	1	600	\$915.30	\$1,349.70	47%	\$958.44	\$1,403.70	46%
Commercial	3/4	25	\$63.41	\$67.30	6%	\$80.67	\$88.90	10%
Commercial	1	100	\$185.30	\$217.00	17%	\$228.44	\$271.00	19%
Commercial	2	700	\$1,098.68	\$1,372.00	25%	\$1,237.67	\$1,544.50	25%
Commercial	2	1,500	\$2,146.68	\$2,718.00	27%	\$2,285.67	\$2,890.50	26%
Industrial	3	365	\$650.05	\$806.60	24%	\$909.85	\$1,130.00	24%
Industrial	2	1,000	\$1,536.68	\$1,924.00	25%	\$1,675.67	\$2,096.50	25%
Industrial	4	2,500	\$3,300.10	\$4,279.00	30%	\$3,732.03	\$4,818.10	29%
LS Power (monthly)	8	25,000	\$26,785.20	\$36,333.00	36%	\$27,245.64	\$36,912.80	35%
Public Authority	2	1,000	\$1,536.68	\$1,924.00	25%	\$1,675.67	\$2,096.50	25%
Public Authority	3	3,000	\$3,777.15	\$4,899.00	30%	\$4,036.95	\$5,222.40	29%
Public Authority	4	11,000	\$12,310.10	\$16,349.00	33%	\$12,742.03	\$16,888.10	33%

Whitewater Municipal Water Utility
 Schedule of Depreciation Rates
 Effective January 1, 2011

<u>Account Number</u>	<u>Account Title</u>	<u>Deprec. Rate</u>
	SOURCE OF SUPPLY PLANT	
311	Structures and Improvements	3.2%
314	Wells and Springs	2.9%
316	Supply Mains	1.8%
	PUMPING PLANT	
321	Structures and Improvements	3.2%
325	Electric Pumping Equipment	4.4%
326	Diesel Pumping Equipment	4.4%
328	Other Pumping Equipment	4.4%
	WATER TREATMENT PLANT	
331	Structures and Improvements	3.2%
332	Sand or Other Media Filtration Equipment	3.3%
	TRANSMISSION AND DISTRIBUTION PLANT	
342	Distribution Reservoirs and Standpipes	1.9%
343	Transmission and Distribution Mains	1.3%
345	Services	2.9%
346	Meters	5.5%
348	Hydrants	2.2%
	GENERAL PLANT	
390	Structures and Improvements	2.9%
391	Office Furniture and Equipment	5.8%
391.1	Computer Equipment	26.7%
392	Transportation Equipment	13.3%
393	Stores Equipment	5.8%
394	Tools, Shop and Garage Equipment	5.8%
395	Laboratory Equipment	5.8%
396	Power Operated Equipment	7.5%
397	Communication Equipment	15.0%
397.1	SCADA Equipment	9.2%
398	Miscellaneous Equipment	5.8%