

SERVICE DATE
May 09, 2013

PSC REF#:184601

Public Service Commission of Wisconsin
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PUBLIC SERVICE COMMISSION OF WISCONSIN

Simplified Water Rate Case for the Milwaukee Water Works,
Milwaukee County, Wisconsin

3720-WQ-103

FINAL DECISION

Introduction

On April 8, 2013, the Milwaukee Water Works (Utility) filed an application for a water rate increase under Wis. Stat. § 196.193, a Simplified Rate Case (SRC) process that does not require a hearing. Commission staff reviewed the information submitted by the Utility in support of its application and determined the water rate increase is justified as requested. The new rates will be effective June 1, 2013, and will be on file with the Commission as Amendment 111.

Findings of Fact

1. The revenue increase is calculated by multiplying the Utility's prior year revenue from sales of utility service by the 2013 rate increase factor (3.0 percent) set by the Commission. (Wis. Stat. § 196.193(1)(a) and (2).)
2. The revenue increase combined with the Utility's prior year net operating income results in an overall rate of return that does not exceed 5.5 percent, the Commission's 2013 established overall rate of return applicable to a municipally owned water or a municipally owned combined water and sewer public utility. (Wis. Stat. § 196.193(1)(b) and (3).)
3. The effective date of the rate increase is not less than 12 months from the effective date of an increase previously filed under the SRC process nor less than 45 days from the date the application was filed. (Wis. Stat. § 196.193(1)(d).)

4. The Utility's last rate increase authorized pursuant to a hearing under Wis. Stat. § 196.20 has been in effect for at least a calendar year (i.e., January through December). (Wis. Stat. § 196.193(1)(e).)

5. The Utility has 4,000 or more customers and the effective date of the rate increase is not more than 5 years from the effective date of an increase authorized pursuant to a hearing under Wis. Stat. § 196.20. (Wis. Stat. § 196.193(1)(g).)

6. The Utility notified all its customers of the proposed rate increase pursuant to Wis. Stat. § 196.193(4).

7. The Utility is in compliance with and has met the standards established by Wis. Stat. § 196.193.

8. The Commission has not rejected the Utility's application for good cause. (Wis. Stat. § 196.193(1)(f).)

Conclusion of Law

The Commission has jurisdiction under Wis. Stat. §§ 196.02, 196.193 and 196.39, and Wis. Admin. Code ch. PSC 185.

Order

1. The Utility shall increase its rates for general service, public fire protection, and wholesale service uniformly by the 3.0 percent rate increase factor. (Wis. Stat. § 196.193(1)(c) and (2).)

2. The new water rates are effective June 1, 2013, and are on file as Amendment 111.

3. The Utility shall inform each customer of the new rates authorized by this order pursuant to Wis. Admin. Code § PSC 185.33(1)(f).

4. The Utility's current rates and rules shall be available for public inspection pursuant to Wis. Admin. Code § PSC 185.22.

5. The Utility shall keep on permanent file all its previous rates, pursuant to Wis. Admin. Code § PSC 185.19.

6. This docket is closed unless additional information comes to the Commission's attention which would require that this docket be re-opened.

7. Jurisdiction is retained.

8. This order is effective one day after the service date.

Dated at Madison, Wisconsin, this 9th day of May, 2013

For the Commission:

A handwritten signature in black ink, appearing to read 'C. Smith', written in a cursive style.

Cynthia Smith
Acting Division Administrator
Division of Water, Compliance, and Consumer Affairs

JJS:BJS:DL:00718134

See attached Notice of 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 the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service 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 the date of service 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 the date of service 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 serves 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: March 27, 2013
DL: 00698858

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

Public Service Commission of Wisconsin

Milwaukee Water Works

Public Fire Protection Service

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.

This service shall include 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.

Quarterly Public Fire-Protection Service Charges:

5/8 - inch meter - \$	5.75	3 - inch meter - \$	132.87
3/4 - inch meter - \$	5.75	4 - inch meter - \$	216.30
1 - inch meter - \$	19.06	6 - inch meter - \$	407.88
1 1/4 - inch meter - \$	19.06	8 - inch meter - \$	713.79
1 1/2 - inch meter - \$	43.26	10 - inch meter - \$	911.55
2 - inch meter - \$	66.44	12 - inch meter - \$	1,112.40

Customers who are provided service under Schedules Mg-1, Ug-1, Mgt-1 and Mz-1 shall also be subject to the charges in this schedule.

Billing: Same as Schedule Mg-1.

RATE FILE

Sheet No. 1 of 1

Schedule No. F-1.1

Amendment No. 111

Public Service Commission of Wisconsin

Milwaukee Water Works

Public Fire Protection Service – Suburban: Greenfield, Hales Corners, and St. Francis

For public fire protection service furnished to areas served at retail outside the City of Milwaukee where the suburban retail communities have chosen to have the utility directly bill public fire protection to all classes of retail general service customers under Wis. Stat. § 196.03(3)(b), the charges to cover the use of facilities shall be the following.
(Urban charges in Schedule F-1 plus 25 percent surcharge).

Quarterly Public Fire Protection Service Charges:

5/8 - inch meter - \$	7.19	3 - inch meter - \$	166.09
3/4 - inch meter - \$	7.19	4 - inch meter - \$	270.38
1 - inch meter - \$	23.82	6 - inch meter - \$	509.85
1 1/4 - inch meter - \$	23.82	8 - inch meter - \$	892.24
1 1/2 - inch meter - \$	54.08	10 - inch meter - \$	1,139.44
2 - inch meter - \$	83.05	12 - inch meter - \$	1,390.50

Customers who are provided service under Schedule Mg-2 shall also be subject to the charges in this schedule.

Billing: Same as Schedule Mg-1

RATE FILE

Sheet No. 1 of 1

Schedule No. F-1.4

Public Service Commission of Wisconsin

Amendment No. 111

Milwaukee Water Works

Public Fire Protection Service – Suburban: West Milwaukee

For public fire protection service furnished to West Milwaukee where the suburban retail community has chosen to have the utility directly bill public fire protection to all classes of retail general service customers under Wis. Stat. § 196.03(3)(b), the charges to cover the use of facilities shall be the following.

Quarterly Public Fire Protection Service Charges:

5/8 - inch meter - \$	6.11	3 - inch meter - \$	141.17
3/4 - inch meter - \$	6.11	4 - inch meter - \$	229.82
1 - inch meter - \$	20.25	6 - inch meter - \$	433.37
1 1/4 - inch meter - \$	20.25	8 - inch meter - \$	758.40
1 1/2 - inch meter - \$	45.97	10 - inch meter - \$	968.52
2 - inch meter - \$	70.59	12 - inch meter - \$	1,181.93

Customers who are provided service under Schedule Mg-2 shall also be subject to the charges in this schedule.

Billing: Same as Schedule Mg-1

RATE FILE

Sheet No. 1 of 1

Schedule No. Mg-1

Public Service Commission of Wisconsin

Amendment No. 111

Milwaukee Water Works

General Service - Metered

Quarterly Service Charges:

5/8 - inch meter - \$	15.14	6 - inch meter - \$	580.61
3/4 - inch meter - \$	15.14	8 - inch meter - \$	895.17
1 - inch meter - \$	26.88	10 - inch meter - \$	1,331.17
1 1/4 - inch meter - \$	26.88	12 - inch meter - \$	2,447.28
1 1/2 - inch meter - \$	51.60	14 - inch meter - \$	2,651.22
2 - inch meter - \$	84.36	16 - inch meter - \$	2,852.07
3 - inch meter - \$	163.77	20 - inch meter - \$	3,253.77
4 - inch meter - \$	327.23	24 - inch meter - \$	3,655.47

Volume Charges for Water Used Per Quarter:

		<u>Per 100 Cubic Feet</u>	<u>Per 1,000 Gallons</u>
First	10,000 cubic feet or 75,000 gallons	\$1.730	\$2.313
Next	490,000 cubic feet or 3,675,000 gallons	\$1.630	\$2.175
Next	1,500,000 cubic feet or 11,250,000 gallons	\$1.080	\$1.446
Over	2,000,000 cubic feet or 15,000,000 gallons	\$0.970	\$1.295

Billing: See Water Utility Operating Rules (Schedule X-1), Chapter 5 – Billing and Collection

Late Payment Charge: 5 percent (See also Wis. Stat. § 62.69(2)(e))

Large volume retail customers may be billed monthly based on monthly meter readings at the discretion of Milwaukee Water Works.

RATE FILE

Sheet No. 1 of 2

Schedule No. Mg-2

Public Service Commission of Wisconsin

Amendment No. 111

Milwaukee Water Works

General Service – Suburban Retail Communities

Quarterly Service Charges:

5/8 - inch meter - \$	18.93	6 - inch meter - \$	725.77
3/4 - inch meter - \$	18.93	8 - inch meter - \$	1,118.97
1 - inch meter - \$	33.61	10 - inch meter - \$	1,663.97
1 1/4 - inch meter - \$	33.61	12 - inch meter - \$	3,059.10
1 1/2 - inch meter - \$	64.51	14 - inch meter - \$	3,314.03
2 - inch meter - \$	105.45	16 - inch meter - \$	3,563.09
3 - inch meter - \$	204.71	20 - inch meter - \$	4,067.21
4 - inch meter - \$	409.04	24 - inch meter - \$	4,569.34

Volume Charges for Water Used Per Quarter:

		<u>Per 100 Cubic Feet</u>	<u>Per 1,000 Gallons</u>
First	10,000 cubic feet or 75,000 gallons	\$1.126	\$1.505
Next	490,000 cubic feet or 3,675,000 gallons	\$1.095	\$1.464
Next	1,500,000 cubic feet or 11,250,000 gallons	\$0.987	\$1.319
Over	2,000,000 cubic feet or 15,000,000 gallons	\$.0922	\$1.233

RATE FILE

Sheet No. 2 of 2

Public Service Commission of Wisconsin

Schedule No. Mg-2

Amendment No. 111

Milwaukee Water Works

General Service – Suburban Retail Communities

Volume Charges for Water Used per Quarter - Greenfield, Hales Corners, St. Francis, Brown Deer, Cudahy, Franklin, Glendale, Shorewood, Wauwatosa, West Allis, and similarly served areas:
(Urban charges plus 25 percent surcharge)

		<u>Per 100 Cubic Feet</u>	<u>Per 1,000 Gallons</u>
First	10,000 cubic feet or 75,000 gallons	\$2.163	\$2.892
Next	490,000 cubic feet or 3,675,000 gallons	\$2.034	\$2.719
Next	1,500,000 cubic feet or 11,250,000 gallons	\$1.352	\$1.808
Over	2,000,000 cubic feet or 15,000,000 gallons	\$1.210	\$1.618

Billing: Same as Schedule Mg-1.

RATE FILE

Sheet No. 1 of 1

Schedule No. W-1

Public Service Commission of Wisconsin

Amendment No. 111

Milwaukee Water Works

Suburban Resale Service - Metered

General Service Charges and Public Fire Protection Service Charges:

	<u>Quarterly General Service</u>	<u>Quarterly Fire Protection</u>	<u>Monthly General Service</u>	<u>Monthly Fire Protection</u>
Brown Deer	\$ 4,475.89	\$ 7,996.92	\$1,491.97	\$ 2,665.64
Butler	\$ 1,451.54	\$ 1,745.85	\$ 483.84	\$ 581.95
Greendale	\$ 7,229.84	\$ 9,344.16	\$2,409.94	\$ 3,114.72
Menomonee Falls	\$ 5,565.87	\$21,725.79	\$1,855.29	\$ 7,241.93
Mequon	\$ 2,237.94	\$ 5,185.02	\$ 745.98	\$ 1,728.34
New Berlin	\$ 4,475.89	\$17,545.02	\$1,491.97	\$ 5,848.34
Shorewood	\$ 7,237.17	\$ 9,242.19	\$2,412.39	\$ 3,080.73
Wauwatosa	\$11,684.07	\$28,461.99	\$3,894.69	\$ 9,487.33
West Allis	\$ 6,655.86	\$37,438.44	\$2,218.62	\$12,479.48
County Institutions	\$ 7,237.17	\$ 9,977.61	\$2,412.39	\$ 3,325.87

Volume Charges:

	<u>Per 100 Cubic Feet</u>	<u>Per 1,000 Gallons</u>
Brown Deer	\$0.974	\$1.303
Butler	\$0.913	\$1.220
Greendale	\$0.972	\$1.300
Menomonee Falls	\$0.927	\$1.239
Mequon	\$1.030	\$1.377
New Berlin	\$0.938	\$1.255
Shorewood	\$1.022	\$1.366
Wauwatosa	\$0.912	\$1.218
West Allis	\$0.890	\$1.190
County Institutions	\$1.011	\$1.352

Billing: Same as Schedule Mg-1.