



Public Service Commission of Wisconsin

Ellen Nowak, Chairperson
Mike Huebsch, Commissioner
Lon Roberts, Commissioner

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

June 6, 2017 – VIA E-MAIL

Mr. Mark Grams, City Administrator
Port Washington Municipal Water Utility
100 West Grand Avenue
P.O. Box 307
Port Washington, WI 53074
E-mail: mgrams@ci.port-washington.wi.us

Re: Application of the City of Port Washington, Ozaukee County, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates 4780-WR-107

Dear Mr. Grams:

The Public Service Commission (Commission) staff has analyzed your application for a water rate increase. The application was received on September 13, 2016. A proposed staff exhibit has been prepared, a copy of which is enclosed. The exhibit contains schedules showing staff's proposed revenue requirement, cost-of-service analysis, and proposed rates.

We intend to submit our proposal at the public hearing on July 18, 2017. At least one person must represent your utility at the hearing.

The revenue requirement for the 2017 test year is comprised of the following:

Operation and Maintenance Expenses	\$	1,448,569
Depreciation Expense	\$	352,427
Property Tax Equivalent and Other Taxes	\$	459,541
Return on Rate Base	\$	651,702
Total	\$	2,912,239

We have used a 5.00 percent rate of return on the estimated water utility net investment rate base for the 2017 test year, as recommended by our staff auditor. The proposed rates would increase annual revenues from water public utility service by an estimated \$116,817, of which \$97,121 would be from general service customers and \$19,696 would be from the public fire protection charge.

The increase in water utility revenues results because of a 23 percent increase in gross plant investment and a 6 percent increase in operating expenses since your last water rate case in 2008.

The rates authorized in your last rate case were adjusted for inflation through the Simplified Rate Case (SRC) process in 2011.

We have selected some customers for comparison of proposed and present rates (see Schedule 14 of the enclosed staff exhibit). Please note that, in general, large-volume users would receive a larger percentage increase in water rates than an average residential customer. We believe that the larger increase to large-volume users is reasonable because the proposed rates more appropriately reflect the cost of providing service than do the present rates.

We are proposing a number of changes in Schedule 13 that are intended to simplify and update the tariff provisions. These include:

- Eliminating Schedule Fd-1, Public Fire Protection (direct charges) because Schedule F-1, Public Fire Protection, is now being used for all public fire protection charges.
- Revising Schedule Mpa-1, Public Service; Schedule Ug-1, General Water Service - Unmetered; and Schedule BW-1, Bulk Water, to reference the volumetric charges in Schedule Mg-1 instead of establishing separate rates in these schedules. This change ensures that these rates will reflect future changes to Schedule Mg-1 through a Simplified Rate Case (SRC).
- Eliminating Schedule Mz-1, Building and Construction Water Service, because the revised Schedule Ug-1 now applies to these customers.
- Replacing Schedule Mgt-1, Seasonal, Emergency, or Temporary Service, with a new Schedule Sg-1, Seasonal Service.
- Establishing Schedule X-4, Water Customer Supplemental Rules, to set criteria for offering a Deferred Payment Agreement (DPA) to a residential tenant.

The depreciation expense included in the revenue requirement was computed using the water depreciation rates on the enclosed Schedule 15. When the Final Decision is issued in this docket, these rates will be certified for use by your utility effective January 1, 2017.

We are recommending to the Commission that your water utility's filed rules and regulations be updated to reflect the latest requirements in Wis. Admin. Code ch. PSC 185. A copy is enclosed.

The proposed staff exhibit is intended to give the Commission the staff's viewpoint and is not a final decision. The utility has the prerogative to present its own case. It may be advantageous to the utility to submit additional information which is believed to be pertinent to substantiate its position. Please note that the Commission will base its decision on the merits of the case.

If you have any questions, please e-mail me at David.Prochaska@wisconsin.gov or call me at (608) 266-5739.

Sincerely,

David L. Prochaska

David L. Prochaska
Public Utility Rate Analyst
Division of Water, Telecommunications, and Consumer Affairs

DLP:DL:01541982

Enclosures

cc: Ms. Christine Cramer, Trilogy Consulting LLC, E-mail: ccramer@trilogy-llc.com

Docket No. 4780-WR-107
Witness: David Prochaska
Exhibit No. _____

PORT WASHINGTON MUNICIPAL WATER UTILITY

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COMPARATIVE INCOME STATEMENT

ACCT NO.	OPERATING REVENUES	TEST YEAR				
		2013	2014	2015	2016	2017
460	Unmetered Sales to General Customers					
	Residential	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Multi-Family Residential	0	0	0	0	0
	Commercial	0	0	0	0	0
	Industrial	0	0	0	0	0
	Public Authority	1,593	1,642	0	1,650	1,650
	Irrigation	0	0	0	0	0
461	Metered Sales to General Customers					
	Residential	1,119,234	1,114,370	1,126,946	1,107,150	1,114,818
	Multi-Family Residential	0	75,263	82,917	80,217	80,217
	Commercial	314,067	228,522	214,225	214,259	214,259
	Industrial	456,244	373,552	387,497	395,345	395,345
	Public Authority	102,997	102,170	102,333	92,118	92,118
	Irrigation	0	0	0	0	0
	TOTAL GENERAL SALES	\$ 1,994,135	\$ 1,895,519	\$ 1,913,918	\$ 1,890,739	\$ 1,898,407
462	Private fire protection service	\$ 102,647	\$ 103,714	\$ 105,972	\$ 105,708	\$ 105,708
463	Public fire protection service	654,382	646,857	654,257	663,202	666,707
465	Other water sales	0	0	0	0	0
466	Sales for resale	0	0	0	0	0
467	Interdepartmental sales	0	0	0	0	0
470	Forfeited discounts	24,590	28,957	22,777	30,000	30,000
472	Rents from water property	76,850	79,140	82,621	77,600	77,600
473	Interdepartmental rents	0	0	0	0	0
474	Other water revenues	48,926	43,941	38,169	37,000	17,000
	TOTAL OPERATING REVENUES	\$ 2,901,530	\$ 2,798,128	\$ 2,817,714	\$ 2,804,249	\$ 2,795,422
	OPERATING EXPENSES					
	SOURCE OF SUPPLY					
600	Operation labor	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
601	Operation labor and expenses	0	0	0	0	0
602	Purchased water	0	0	0	0	0
603	Miscellaneous expenses	0	0	0	0	0
604	Rents	0	0	0	0	0
610	Maintenance supervision and engineering	0	0	0	0	0
611	Maintenance of structures and improvements	0	0	0	0	0
612	Maint. of collecting and impounding reservoirs	0	0	0	0	0
613	Maintenance of lake, river, and other intakes	13,389	16,247	10,703	15,400	14,265
614	Maintenance of wells and springs	0	0	0	0	0
616	Maintenance of supply mains	0	0	0	0	0
617	Maintenance of misc. water source plant	0	0	0	0	0
	PUMPING EXPENSES					
620	Operation supervision and engineering	12,983	12,680	15,635	14,603	15,041
621	Fuel for power production	0	0	0	0	0
622	Power production labor and expenses	0	0	0	0	0
623	Fuel or power purchased for production	131,796	104,076	110,971	116,150	119,635
624	Pumping labor and expenses	163,969	175,851	177,673	164,326	177,672
625	Expenses transferred--credit	0	0	0	0	0
626	Miscellaneous expenses	1,533	473	485	450	450
627	Rents	0	0	0	0	0
630	Maintenance supervision and engineering	4,964	4,848	5,978	5,423	5,586
631	Maintenance of structures and improvements	175	219	71	373	160
632	Maintenance of power production equipment	0	0	0	0	0
633	Maintenance of pumping equipment	13,519	11,268	11,130	20,437	12,701

COMPARATIVE INCOME STATEMENT
(continued)

ACCT NO.	OPERATING EXPENSES	TEST YEAR				
		2013	2014	2015	2016	2017
WATER TREATMENT EXPENSES						
640	Operation supervision and engineering	\$ 12,983	\$ 12,680	\$ 15,635	\$ 14,603	\$ 15,041
641	Chemicals	37,706	25,643	36,477	36,477	36,477
642	Operation labor and expenses	214,628	234,536	223,656	212,762	231,001
643	Miscellaneous expenses	3,866	4,779	8,682	7,366	5,949
644	Rents	0	0	0	0	0
650	Maintenance supervision and engineering	4,964	4,848	5,978	5,423	5,586
651	Maintenance of structures and improvements	3,854	8,532	13,355	10,040	8,838
652	Maintenance of water treatment equipment	18,413	24,491	23,880	30,950	23,617
TRANS & DISTRIBUTION EXPENSES						
660	Operation supervision and engineering	\$ 7,164	\$ 7,086	\$ 8,738	\$ 7,969	\$ 8,208
661	Storage facilities expenses	108	0	0	0	0
662	Transmission and distribution expenses	76,583	72,942	75,013	80,618	83,037
663	Meter expenses	22,478	18,390	32,366	31,010	5,940
664	Customer installations expenses	0	0	0	0	34,400
665	Miscellaneous expenses	(9)	0	0	0	0
666	Rents	0	0	0	0	0
670	Maintenance supervision and engineering	2,682	2,611	3,220	2,879	2,965
671	Maintenance of structures and improvements	0	0	0	0	0
672	Maintenance of distr.reservoirs and standpipes	65,311	66,350	69,415	74,156	108,072
673	Maintenance of transmission and distr. mains	45,188	110,347	69,998	63,200	77,433
675	Maintenance of services	9,715	13,258	25,234	15,000	15,450
676	Maintenance of meters	1,362	2,385	3,286	1,660	2,415
677	Maintenance of hydrants	12,284	10,621	10,800	15,520	11,572
678	Maintenance of miscellaneous plant	0	0	0	0	0
CUSTOMER ACCOUNTS EXPENSES						
901	Supervision	0	0	0	0	0
902	Meter reading labor	6,500	5,352	17,045	14,403	6,000
903	Customer records and collection expenses	39,165	37,137	54,945	51,169	38,000
904	Uncollectible accounts	0	0	0	0	0
905	Miscellaneous customer accounts expenses	0	0	0	0	0
906	Customer service and Information Expenses	0	0	0	0	0
SALES EXPENSES						
910	Sales Expenses	0	0	0	0	0
ADMIN. & GENERAL EXPENSES						
920	Administrative and general salaries	25,388	26,475	32,360	34,513	35,548
921	Office supplies and expenses	13,066	12,079	12,182	11,005	12,816
922	Administrative expenses transferred -- credit	0	0	0	0	0
923	Outside services employed	9,666	20,832	12,352	54,611	15,153
924	Property insurance	19,094	21,832	20,013	22,440	20,922
925	Injuries and damages	20,501	22,617	18,545	21,135	21,171
926	Employee pensions and benefits	250,556	242,195	203,456	298,783	265,000
928	Regulatory commission expenses	1,513	1,667	1,453	1,700	1,591
929	Duplicate charges -- credit	0	0	0	0	0
930	Miscellaneous general expenses	5,800	17,365	8,457	1,925	10,857
931	Rents	0	0	0	0	0
932	Maintenance of general plant	0	0	0	0	0
TOTAL OPER. & MAINT. EXPENSES		\$ 1,272,857	\$ 1,352,712	\$ 1,339,187	\$ 1,458,479	\$ 1,448,569
403	DEPRECIATION EXPENSE	366,986	350,806	355,665	358,560	352,427
404-407	AMORTIZATION EXPENSE	0	0	0	0	0
408	TAXES AND TAX EQUIVALENT	440,694	407,968	445,016	462,867	459,541
TOTAL OPERATING EXPENSES		\$ 2,080,537	\$ 2,111,486	\$ 2,139,868	\$ 2,279,906	\$ 2,260,537
NET OPERATING INCOME		\$ 820,993	\$ 686,642	\$ 677,846	\$ 524,343	\$ 534,885

NET INVESTMENT RATE BASE

UTILITY FINANCED PLANT IN SERVICE	\$ 21,822,403
Less: ACCUMULATED PROVISION FOR DEPRECIATION	<u>8,613,673</u>
NET PLANT IN SERVICE	\$ 13,208,730
Plus: MATERIALS AND SUPPLIES	30,000
Less: REGULATORY LIABILITY	<u>204,699</u>
NET INVESTMENT RATE BASE	<u><u>\$ 13,034,031</u></u>
RATE OF RETURN ON RATE BASE	5.00%

**ESTIMATED INCOME STATEMENT FOR THE 2017 TEST YEAR
AND
REVENUE REQUIREMENT TO YIELD A 5.00% RETURN ON NET INVESTMENT RATE BASE**

	<u>Present Rates</u>	<u>Increase</u>	<u>After Rate Increase</u>
TOTAL OPERATING REVENUES	\$ <u>2,795,422</u>	\$ <u>116,817</u>	\$ <u>2,912,239</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSES	\$ 1,448,569		\$ 1,448,569
DEPRECIATION EXPENSE	352,427		352,427
AMORTIZATION EXPENSE	0		0
TAXES AND TAX EQUIVALENT	<u>459,541</u>		<u>459,541</u>
TOTAL OPERATING EXPENSES	\$ <u>2,260,537</u>		\$ <u>2,260,537</u>
NET OPERATING INCOME (LOSS)	\$ <u>534,885</u>		<u><u>\$ 651,702</u></u>
RATE OF RETURN ON RATE BASE	4.10%		5.00%

**UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR 2017**

<u>ACCT NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>Balance 12/31/2016 (\$)</u>	<u>Major Additions</u>		<u>Normal Additions (\$)</u>	<u>Retirements (\$)</u>	<u>Balance 12/31/2017 (\$)</u>	<u>Test Year Rate Base Balance (\$)</u>	<u>Depreciation</u>	
			<u>Less Retirements (\$)</u>	<u>Retirements (\$)</u>					<u>Rate (%)</u>	<u>Expense (\$)</u>
INTANGIBLE PLANT										
301	Organization	0	0	0	0	0	0		N/A	0
302	Franchises and consents	0	0	0	0	0	0		N/A	0
303	Miscellaneous intangible plant	0	0	0	0	0	0		N/A	0
SOURCE OF SUPPLY										
310	Land and land rights	0	0	0	0	0	0		N/A	0
311	Structures and improvements	0	0	0	0	0	0		3.20%	0
312	Collecting and impounding reservoirs	13,780	0	0	0	13,780	13,780		1.70%	234
313	Lake, river, and other intakes	674,289	0	0	0	674,289	674,289		1.70%	11,463
314	Wells and springs	0	0	0	0	0	0		2.90%	0
316	Supply mains	14,009	0	0	0	14,009	14,009		1.80%	252
317	Other water source plant	0	0	0	0	0	0		4.50%	0
PUMPING PLANT										
320	Land and land rights	0	0	0	0	0	0		N/A	0
321	Structures and improvements	108,214	0	0	0	108,214	108,214		3.20%	3,463
323	Other power production equipment	0	0	0	0	0	0		4.40%	0
325	Electric pumping equipment	519,690	0	0	0	519,690	519,690		Depr Adjusted	497
326	Diesel pumping equipment	0	0	0	0	0	0		4.40%	0
328	Other pumping equipment	18,618	0	0	0	18,618	18,618		Depr Adjusted	0
WATER TREATMENT PLANT										
330	Land and land rights	39,400	0	0	0	39,400	39,400		N/A	0
331	Structures and improvements	1,616,448	0	0	0	1,616,448	1,616,448		3.20%	51,726
332	Sand or Other Media Filtration Equip	542,483	0	0	0	542,483	542,483		Depr Adjusted	0
333	Membrane Filtration Equipment	0	0	0	0	0	0		6.00%	0
334	Other Water Treatment Equipment	0	0	0	0	0	0		6.00%	0

UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR 2017
(continued)

<u>ACCT NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>Balance</u>	<u>Major</u>	<u>Normal</u>	<u>Retirements</u>	<u>Balance</u>	<u>TEST YEAR</u>	<u>DEPRECIATION</u>	
		<u>12/31/2016</u>	<u>Additions</u>	<u>Additions</u>		<u>12/31/2017</u>	<u>RATE BASE</u>	<u>RATE</u>	<u>EXPENSE</u>
		<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(%)</u>	<u>(\$)</u>
TRANSMISSION & DISTRIBUTION PLANT									
340	Land and land rights	12,129	0	0	0	12,129	12,129	N/A	0
341	Structures and improvements	0	0	0	0	0	0	3.20%	0
342	Distribution reservoirs and standpipes	1,725,486	0	0	0	1,725,486	1,725,486	1.90%	32,784
343	Transmission and distribution mains	10,158,563	0	1,673,068	158,400	11,673,231	10,915,897	1.30%	141,907
345	Services	1,095,825	0	717,510	18,100	1,795,235	1,445,530	2.90%	41,920
346	Meters	1,041,581	0	0	0	1,041,581	1,041,581	5.50%	28,643
348	Hydrants	829,036	0	98,462	13,800	913,698	871,367	2.20%	19,170
349	Other transmission and distr. plant	881	0	0	0	881	881	Depr Adjusted	0
GENERAL PLANT									
389	Land and land rights	0	0	0	0	0	0	N/A	0
390	Structures and improvements	0	0	0	0	0	0	2.90%	0
391	Office furniture and equipment	104,225	0	0	0	104,225	104,225	5.80%	6,045
391	Office furniture & equip - Computers	0	0	0	0	0	0	26.70%	0
392	Transportation equipment	197,932	0	0	0	197,932	197,932	Depr Adjusted	0
393	Stores equipment	1,242	0	0	0	1,242	1,242	Depr Adjusted	0
394	Tools, shop and garage equipment	52,146	0	0	0	52,146	52,146	Depr Adjusted	180
395	Laboratory equipment	90,581	0	0	0	90,581	90,581	5.80%	5,254
396	Power operated equipment	5,908	0	0	0	5,908	5,908	7.50%	443
397	Communication equipment	204,612	0	0	0	204,612	204,612	15.00%	8,110
397	SCADA equipment	1,600,170	0	0	0	1,600,170	1,600,170	Depr Adjusted	0
398	Miscellaneous equipment	5,785	0	0	0	5,785	5,785	5.80%	336
TOTAL UTILITY FINANCED PLANT IN SERVICE		20,673,033	0	2,489,040	190,300	22,971,773	21,822,403		352,427

PORT WASHINGTON MUNICIPAL WATER UTILITY

SYSTEM DEMAND RATIOS

MAXIMUM DAY SYSTEM DEMAND

TOTAL ANNUAL PUMPAGE 417,930,381 Gallons

AVERAGE DAILY PUMPAGE 1,145,015 Gallons

MAXIMUM DAY PUMPAGE 1,717,522 Gallons

FIRE FLOW:

GAL/MIN	4,000	
DURATION (HOURS)	4	
TOTAL FLOW	960,000	Gallons

AVERAGE DAY PLUS FIRE FLOW 2,105,015 Gallons

RATIO: BASE = $\frac{1,145,015}{2,105,015}$ = 54.39%

MAX DAY = 100-BASE = 45.61%

MAXIMUM HOUR SYSTEM DEMAND

AVERAGE HOUR ON MAX DAY 71,563 Gallons

MAXIMUM HOUR PUMPAGE 107,345 Gallons

AVERAGE HOUR PLUS ONE HOUR FIRE FLOW 287,709 Gallons

RATIO: BASE = $\frac{1,145,015}{6,905,015}$ = 16.58% Use 16.58%

MAX HOUR = 100-BASE = 83.42% Use 83.42%

**ALLOCATION OF UTILITY FINANCED PLANT
TO SERVICE COST FUNCTIONS**

<u>ACCT NO.</u>	<u>ACCOUNT DESCRIPTION</u>	EXTRA-CAPACITY							CUSTOMER COSTS				
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)
			System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)				
INTANGIBLE PLANT													
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY													
310	Land and land rights	0	0		0								
311	Structures and improvements	0	0		0								
312	Collecting and impounding reservoirs	13,780	7,496		6,284								
313	Lake, river, and other intakes	674,289	366,777		307,512								
314	Wells and springs	0	0		0								
316	Supply mains	14,009	7,620		6,389								
317	Other water source plant	0	0		0								
PUMPING PLANT													
320	Land and land rights	0	0		0								
321	Structures and improvements	108,214	58,863		49,351								
323	Other power production equipment	0	0		0								
325	Electric pumping equipment	519,690	282,683		237,007								
326	Diesel pumping equipment	0	0		0								
328	Other pumping equipment	18,618	10,127		8,491								
WATER TREATMENT PLANT													
330	Land and land rights	39,400	21,431		17,969								
331	Structures and improvements	1,616,448	879,261		737,187								
332	Sand or Other Media Filtration Equip	542,483	295,082		247,401								
333	Membrane Filtration Equipment	0	0		0								
334	Other Water Treatment Equipment	0	0		0								

**ALLOCATION OF UTILITY FINANCED PLANT
TO SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY							CUSTOMER COSTS			Fire Protection (\$)	
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			Billing (\$)	Equivalent Meter (\$)		Equivalent Service (\$)
			System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)				
TRANSMISSION & DISTRIBUTION PLANT													
340	Land and land rights	12,129	658	1,238	369	0	0	6,227	1,091	0	790	1,096	661
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	1,725,486	286,126						1,439,360				
343	Transmission mains	1,068,763	581,349		487,413								
343	Distribution mains	9,847,134		1,632,888				8,214,247					
345	Services	1,445,530									1,445,530		
346	Meters	1,041,581									1,041,581		
348	Hydrants	871,367											871,367
349	Other transmission and distr. plant	881	48	90	27	0	0	452	79	0	57	80	48
GENERAL PLANT													
389	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
391	Office furniture and equipment	104,225	14,907	8,708	11,219	0	0	43,805	7,676	0	5,555	7,709	4,647
391	Office furniture & equip - Computers	0	0	0	0	0	0	0	0	0	0	0	0
392	Transportation equipment	197,932	28,309	16,537	21,305	0	0	83,190	14,577	0	10,549	14,640	8,825
393	Stores equipment	1,242	178	104	134	0	0	522	91	0	66	92	55
394	Tools, shop and garage equipment	52,146	7,458	4,357	5,613	0	0	21,917	3,840	0	2,779	3,857	2,325
395	Laboratory equipment	90,581	12,955	7,568	9,750	0	0	38,071	6,671	0	4,827	6,700	4,039
396	Power operated equipment	5,908	845	494	636	0	0	2,483	435	0	315	437	263
397	Communication equipment	204,612	29,264	17,095	22,024	0	0	85,998	15,069	0	10,905	15,134	9,123
397	SCADA equipment	1,600,170	228,863	133,694	172,241	0	0	672,547	117,848	0	85,280	118,354	71,344
398	Miscellaneous equipment	5,785	827	483	623	0	0	2,431	426	0	308	428	258
TOTAL		21,822,403	3,121,127	1,823,255	2,348,946	0	0	9,171,890	1,607,165	0	1,163,012	1,614,055	972,954

**ALLOCATION OF TOTAL PLANT
TO SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY									CUSTOMER COSTS		
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)
			System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)				
INTANGIBLE PLANT													
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY													
310	Land and land rights	0	0		0								
311	Structures and improvements	0	0		0								
312	Collecting and impounding reservoirs	13,780	7,496		6,284								
313	Lake, river, and other intakes	674,289	366,777		307,512								
314	Wells and springs	0	0		0								
316	Supply mains	14,009	7,620		6,389								
317	Other water source plant	0	0		0								
PUMPING PLANT													
320	Land and land rights	0	0		0								
321	Structures and improvements	108,214	58,863		49,351								
323	Other power production equipment	0	0		0								
325	Electric pumping equipment	519,690	282,683		237,007								
326	Diesel pumping equipment	0	0		0								
328	Other pumping equipment	18,618	10,127		8,491								
WATER TREATMENT PLANT													
330	Land and land rights	39,400	21,431		17,969								
331	Structures and improvements	2,214,199	1,204,405		1,009,794								
332	Sand or Other Media Filtration Equip	542,483	295,082		247,401								
333	Membrane Filtration Equipment	0	0		0								
334	Other Water Treatment Equipment	0	0		0								

**ALLOCATION OF TOTAL PLANT
TO SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY									CUSTOMER COSTS		
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)
			System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)				
TRANSMISSION & DISTRIBUTION PLANT													
340	Land and land rights	12,129	499	1,273	280	0	0	6,404	828	0	611	1,535	700
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	1,725,486	286,126						1,439,360				
343	Transmission mains	1,068,763	581,349		487,413								
343	Distribution mains	13,351,216		2,213,947				11,137,269					
345	Services	2,668,665										2,668,665	
346	Meters	1,061,879									1,061,879		
348	Hydrants	1,217,189											1,217,189
349	Other transmission and distr. plant	881	36	92	20	0	0	465	60	0	44	111	51
GENERAL PLANT													
389	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
391	Office furniture and equipment	104,225	12,888	9,144	9,815	0	0	45,998	5,945	0	4,386	11,022	5,027
391	Office furniture & equip - Computers	0	0	0	0	0	0	0	0	0	0	0	0
392	Transportation equipment	197,932	24,476	17,365	18,640	0	0	87,355	11,290	0	8,329	20,932	9,547
393	Stores equipment	1,242	154	109	117	0	0	548	71	0	52	131	60
394	Tools, shop and garage equipment	52,146	6,448	4,575	4,911	0	0	23,014	2,974	0	2,194	5,515	2,515
395	Laboratory equipment	90,581	11,201	7,947	8,530	0	0	39,977	5,167	0	3,812	9,579	4,369
396	Power operated equipment	5,908	731	518	556	0	0	2,607	337	0	249	625	285
397	Communication equipment	204,612	25,302	17,951	19,269	0	0	90,303	11,671	0	8,610	21,638	9,869
397	SCADA equipment	1,600,170	197,875	140,386	150,690	0	0	706,213	91,270	0	67,334	169,220	77,182
398	Miscellaneous equipment	5,785	715	508	545	0	0	2,553	330	0	243	612	279
	TOTAL	27,513,491	3,402,285	2,413,816	2,590,984	0	0	12,142,706	1,569,300	0	1,157,742	2,909,584	1,327,073

**ALLOCATION OF DEPRECIATION EXPENSE
TO SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			Fire Protection (\$)
			System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	
INTANGIBLE PLANT													
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY													
310	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0
311	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
312	Collecting and impounding reservoirs	234	127	107	107	0	0	0	0	0	0	0	0
313	Lake, river, and other intakes	11,463	6,235	5,228	5,228	0	0	0	0	0	0	0	0
314	Wells and springs	0	0	0	0	0	0	0	0	0	0	0	0
316	Supply mains	252	137	115	115	0	0	0	0	0	0	0	0
317	Other water source plant	0	0	0	0	0	0	0	0	0	0	0	0
PUMPING PLANT													
320	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0
321	Structures and improvements	3,463	1,884	1,579	1,579	0	0	0	0	0	0	0	0
323	Other power production equipment	0	0	0	0	0	0	0	0	0	0	0	0
325	Electric pumping equipment	497	270	227	227	0	0	0	0	0	0	0	0
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	0	0	0	0	0	0	0	0	0	0	0	0
WATER TREATMENT PLANT													
330	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0
331	Structures and improvements	51,726	28,136	23,590	23,590	0	0	0	0	0	0	0	0
332	Sand or Other Media Filtration Equip	0	0	0	0	0	0	0	0	0	0	0	0
333	Membrane Filtration Equipment	0	0	0	0	0	0	0	0	0	0	0	0
334	Other Water Treatment Equipment	0	0	0	0	0	0	0	0	0	0	0	0

**ALLOCATION OF DEPRECIATION EXPENSE
TO SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL (\$)	EXTRA-CAPACITY						CUSTOMER COSTS			Fire Protection (\$)	
			BASE COSTS		MAX DAY		MAX HOUR		Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)		
			System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)					Storage (\$)
TRANSMISSION & DISTRIBUTION PLANT													
340	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	
342	Distribution reservoirs and standpipes	32,784	5,436										
343	Transmission mains	13,894	7,558		6,336								
343	Distribution mains	128,013		21,228			106,785						
345	Services	41,920									41,920		
346	Meters	28,643								28,643			
348	Hydrants	19,170										19,170	
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	
GENERAL PLANT													
389	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	
390	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	
391	Office furniture and equipment	6,045	906	386	677	0	1,944	498	0	521	763	349	
391	Office furniture & equip - Computers	0	0	0	0	0	0	0	0	0	0	0	
392	Transportation equipment	0	0	0	0	0	0	0	0	0	0	0	
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0	
394	Tools, shop and garage equipment	180	27	12	20	0	58	15	0	16	23	10	
395	Laboratory equipment	5,254	788	336	588	0	1,690	433	0	453	663	303	
396	Power operated equipment	443	66	28	50	0	142	36	0	38	56	26	
397	Communication equipment	8,110	1,216	518	908	0	2,608	668	0	700	1,024	468	
397	SCADA equipment	0	0	0	0	0	0	0	0	0	0	0	
398	Miscellaneous equipment	336	50	21	38	0	108	28	0	29	42	19	
	TOTAL	352,427	52,837	22,530	39,462	0	0	113,336	29,025	0	30,400	44,491	20,346

**ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		TOTAL	BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			
			(\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)
SOURCE OF SUPPLY													
600	Operation labor	0	0		0								
601	Operation labor and expenses	0	0		0								
602	Purchased water	0	0										0
603	Miscellaneous expenses	0	0		0								
604	Rents	0	0		0								
610	Maintenance supervision and engineering	0	0		0								
611	Maintenance of structures and improvements	0	0		0								
612	Maint. of collecting and impounding reservoirs	0	0		0								
613	Maintenance of lake, river, and other intakes	14,265	7,759		6,506								
614	Maintenance of wells and springs	0	0		0								
616	Maintenance of supply mains	0	0		0								
617	Maintenance of misc. water source plant	0	0		0								
PUMPING EXPENSES													
620	Operation supervision and engineering	15,041	8,181		6,860								
621	Fuel for power production	0	0										
622	Power production labor and expenses	0	0										
623	Fuel or power purchased for production	119,635	119,635										
624	Pumping labor and expenses	177,672	96,644		81,028								
625	Expenses transferred--credit	0	0		0								
626	Miscellaneous expenses	450	245		205								
627	Rents	0	0		0								
630	Maintenance supervision and engineering	5,586	3,038		2,548								
631	Maintenance of structures and improvements	160	87		73								
632	Maintenance of power production equipment	0	0		0								
633	Maintenance of pumping equipment	12,701	6,909		5,792								
WATER TREATMENT EXPENSES													
640	Operation supervision and engineering	15,041	8,181		6,860								
641	Chemicals	36,477	36,477										
642	Operation labor and expenses	231,001	125,652		105,349								
643	Miscellaneous expenses	5,949	3,236		2,713								
644	Rents	0	0		0								
650	Maintenance supervision and engineering	5,586	3,038		2,548								
651	Maintenance of structures and improvements	8,838	4,807		4,031								
652	Maintenance of water treatment equipment	23,617	12,846		10,771								

**ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY									CUSTOMER COSTS		
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)	Fire Protection (\$)
			System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)				
TRANSMISSION & DISTRIBUTION EXPENSES													
660	Operation supervision and engineering	8,208	522	619	73	0	0	3,114	2,187	0	203	1,209	281
661	Storage facilities expenses	0	0						0				
662	Transmission lines expenses	3,406	1,853		1,553								
662	Distribution lines expenses	79,631		13,205				66,426					
663	Meter expenses	5,940								5,940			
664	Customer installations expenses	34,400										34,400	
665	Miscellaneous expenses	0	0	0	0	0	0	0	0	0	0	0	0
666	Rents	0	0	0	0	0	0	0	0	0	0	0	0
670	Maintenance supervision and engineering	2,965	188	224	26	0	0	1,125	790	0	73	437	101
671	Maintenance of structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
672	Maintenance of distr.reservoirs and standpipes	108,072	17,921						90,151				
673	Maintenance of transmission mains	3,176	1,728		1,449								
673	Maintenance of distribution mains	74,257		12,314				61,943					
675	Maintenance of services	15,450										15,450	
676	Maintenance of meters	2,415								2,415			
677	Maintenance of hydrants	11,572											11,572
678	Maintenance of miscellaneous plant	0	0	0	0	0	0	0	0	0	0	0	0
CUSTOMER ACCOUNTS EXPENSES													
901	Supervision	0								0			
902	Meter reading labor	6,000								6,000			
903	Customer records and collection expenses	38,000								38,000			
904	Uncollectible accounts	0								0			
905	Miscellaneous customer accounts expenses	0								0			
906	Customer service and Information Expenses	0								0			
SALES EXPENSES													
910	Sales Expenses	0								0			
ADMINISTRATIVE & GENERAL EXPENSES													
920	Administrative and general salaries	35,548	12,192	1,061	9,597	0	0	5,339	3,749	709	347	2,073	481
921	Office supplies and expenses	12,816	4,395	383	3,460	0	0	1,925	1,352	255	125	747	174
922	Administrative expenses transferred -- credit	0	0	0	0	0	0	0	0	0	0	0	0
923	Outside services employed	15,153	5,197	452	4,091	0	0	2,276	1,598	302	148	884	205
924	Property insurance	20,922	2,587	1,836	1,970	0	0	9,234	1,193	0	880	2,213	1,009
925	Injuries and damages	21,171	7,261	632	5,716	0	0	3,179	2,233	422	207	1,235	287
926	Employee pensions and benefits	265,000	90,886	7,911	71,542	0	0	39,798	27,949	5,282	2,590	15,455	3,588
928	Regulatory commission expenses	1,591	546	47	430	0	0	239	168	32	16	93	22
929	Duplicate charges -- credit	0	0	0	0	0	0	0	0	0	0	0	0
930	Miscellaneous general expenses	10,857	3,724	324	2,931	0	0	1,631	1,145	216	106	633	147
931	Rents	0	0	0	0	0	0	0	0	0	0	0	0
932	Maintenance of general plant	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION & MAINTENANCE EXPENSES		1,448,569	585,736	39,008	338,118	0	0	196,228	132,516	51,218	13,051	74,829	17,866

SUMMARY OF ALLOCATION OF OPERATING COSTS TO SERVICE COST FUNCTIONS

<u>OPERATING COST</u>	EXTRA-CAPACITY											
	TOTAL	BASE COSTS		MAX DAY			MAX HOUR		CUSTOMER COSTS			Fire Protection
		(\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	System (\$)	Distribution (\$)	Storage (\$)	Billing (\$)	Equivalent Meter (\$)	
OPERATION AND MAINTENANCE	1,448,569	585,736	39,008	338,118	0	0	196,228	132,516	51,218	13,051	74,829	17,866
DEPRECIATION EXPENSE	352,427	52,837	22,530	39,462	0	0	113,336	29,025	0	30,400	44,491	20,346
AMORTIZATION EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0
TAXES AND TAX EQUIVALENT	459,541	56,826	40,316	43,276	0	0	202,812	26,211	0	19,337	48,597	22,165
RETURN ON NET INVESTMENT RATE BASE	651,702	93,209	54,449	70,149	0	0	273,908	47,996	0	34,732	48,202	29,056
TOTAL	2,912,239	788,608	156,303	491,005	0	0	786,284	235,748	51,218	97,520	216,119	89,433

CUSTOMER CLASS DEMAND RATIOS

CUSTOMER CLASS	BASE COSTS					EXTRA-CAPACITY MAX DAY DEMAND					EXTRA-CAPACITY MAX HOUR DEMAND					
	Annual Volume 100 CCF	Average Day Volume Gal	Percent (%)	System Adjusted Percent (%)	Distribution Adjusted Percent (%)	Extra Capacity Ratio	Volume Rate Gal Per Day	Percent (%)	System Adjusted Percent (%)	Distribution Adjusted Percent (%)	Extra Capacity Ratio	Volume Rate Gal Per Hour	Percent (%)	System Adjusted Percent (%)	Distribution Adjusted Percent (%)	Storage Adjusted Percent (%)
Residential	223,657	61,276	45.96%	45.96%	45.96%	2.50	153,190	39.24%	39.24%	39.24%	5.20	13,276	24.34%	29.55%	29.55%	24.34%
Multifamily Residential	22,555	6,179	4.63%	4.63%	4.63%	2.25	13,904	3.56%	3.56%	3.56%	4.60	1,184	2.17%	2.64%	2.64%	2.17%
Commercial	54,167	14,840	11.13%	11.13%	11.13%	2.00	29,681	7.60%	7.60%	7.60%	4.10	2,535	4.65%	5.64%	5.64%	4.65%
Industrial	155,754	42,672	32.00%	32.00%	32.00%	1.20	51,207	13.12%	13.12%	13.12%	2.40	4,267	7.82%	9.50%	9.50%	7.82%
Public Authority	25,661	7,030	5.27%	5.27%	5.27%	2.00	14,061	3.60%	3.60%	3.60%	4.10	1,201	2.20%	2.67%	2.67%	2.20%
Public Fire Protection	4,867	1,333	1.00%	1.00%	1.00%		128,342	32.88%	32.88%	32.88%		32,086	58.82%	50.00%	50.00%	58.82%
TOTALS	486,661	133,332	100%	100%	100%		390,384	100%	100%	100%		54,550	100%	100%	100%	100%

50% 50% <-- Public Fire % Limits --> 50% 50% 80%

Maximum Day Demand = 394,040 (CUBIC FEET/DAY) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM DAY EXTRA CAPACITY DEMAND

Maximum Hour Demand = 27,964 (CUBIC FEET/HR) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM HOUR EXTRA CAPACITY DEMAND

1.72 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX DAY

1.95 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX HOUR

CUSTOMER CLASS ALLOCATION FACTORS

Meter size (inches):	NUMBER OF METERS													TOTAL METERS	PERCENT
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12		
Residential	2,135	2,244	3	0	0	0	0	0	0	0	0	0	0	4,382	90%
Multifamily Residential	0	7	8	0	16	7	0	0	0	0	0	0	0	38	1%
Commercial	95	203	44	0	16	12	0	0	1	0	0	0	0	371	8%
Industrial	1	7	10	0	7	3	0	5	2	1	0	0	0	36	1%
Public Authority	8	14	10	0	16	8	0	6	0	0	0	0	0	62	1%
TOTALS	2,239	2,475	75	0	55	30	0	11	3	1	0	0	0	4,889	100%

ALLOCATION FACTOR: Meter size (inches): Equiv. meters ratio:	EQUIVALENT METERS													TOTAL EQUIV. METERS	PERCENT
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12		
Residential	2,135	2,244	8	0	0	0	0	0	0	0	0	0	0	4,387	77%
Multifamily Residential	0	7	20	0	80	56	0	0	0	0	0	0	0	163	3%
Commercial	95	203	110	0	80	96	0	0	25	0	0	0	0	609	11%
Industrial	1	7	25	0	35	24	0	75	50	50	0	0	0	267	5%
Public Authority	8	14	25	0	80	64	0	90	0	0	0	0	0	281	5%
TOTALS	2,239	2,475	188	0	275	240	0	165	75	50	0	0	0	5,707	100%

ALLOCATION FACTOR: Meter size (inches): Equiv. services ratio:	EQUIVALENT SERVICES													TOTAL EQUIV. SERVICES	PERCENT
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12		
Residential	2,135	2,244	4	0	0	0	0	0	0	0	0	0	0	4,383	86%
Multifamily Residential	0	7	10	0	32	21	0	0	0	0	0	0	0	70	1%
Commercial	95	203	57	0	32	36	0	0	5	0	0	0	0	428	8%
Industrial	1	7	13	0	14	9	0	20	10	6	0	0	0	80	2%
Public Authority	8	14	13	0	32	24	0	24	0	0	0	0	0	115	2%
TOTALS	2,239	2,475	98	0	110	90	0	44	15	6	0	0	0	5,077	100%

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	TOTAL	Residential	Multifamily Residential	Commercial	Industrial	Public Authority	Public Fire Protection
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
BASE COSTS:							
SYSTEM	788,608	362,425	36,549	87,775	252,391	41,582	7,886
DISTRIBUTION	156,303	71,833	7,244	17,397	50,024	8,242	1,563
EXTRA-CAPACITY COSTS:							
MAXIMUM-DAY SYSTEM	491,005	192,674	17,487	37,331	64,405	17,685	161,422
MAXIMUM-DAY DISTRIBUTION	0	0	0	0	0	0	0
MAXIMUM-HOUR SYSTEM	0	0	0	0	0	0	0
MAXIMUM-HOUR DISTRIBUTION	786,284	232,347	20,728	44,368	74,680	21,019	393,142
MAXIMUM-HOUR STORAGE	235,748	57,377	5,119	10,956	18,442	5,190	138,664
CUSTOMER COSTS:							
BILLING	51,218	45,907	398	3,887	377	650	
EQUIVALENT METERS	97,520	74,962	2,786	10,407	4,563	4,802	
EQUIVALENT SERVICES	216,119	186,591	2,997	18,229	3,406	4,896	
FIRE PROTECTION	89,433						89,433
TOTAL COST	2,912,239	1,224,115	93,308	230,351	468,288	104,066	792,111
LESS OTHER REVENUE	231,958	71,941	5,484	13,538	27,521	7,766	105,708
COST OF SERVICE	2,680,281	1,152,174	87,824	216,813	440,767	96,300	686,403
REVENUE AT PRESENT RATES	2,563,464	1,114,818	80,217	214,259	395,345	92,118	666,707
DIFFERENCE	116,817	37,356	7,607	2,554	45,422	4,182	19,696
PERCENT INCREASE/DECREASE	5%	3%	9%	1%	11%	5%	3%

PORT WASHINGTON MUNICIPAL WATER UTILITY
Comparison of Revenue
at
Present Rates, Cost of Service and Proposed Rates

Customer Class	Cost of Service			Proposed Rates		
	Revenue at Present Rates	Revenue Required	Increase over Present Rates	Revenue	Increase over Present Rates	Percent of Cost of Service
Residential	\$1,114,818	\$1,152,174	3%	\$1,164,038	4%	101%
Multifamily Residential	\$80,217	\$87,824	9%	\$85,472	7%	97%
Commercial	\$214,259	\$216,813	1%	\$227,165	6%	105%
Industrial	\$395,345	\$440,767	11%	\$425,677	8%	97%
Public Authority	\$92,118	\$96,300	5%	\$98,374	7%	102%
Public Fire Protection	<u>\$666,707</u>	<u>\$686,403</u>	3%	<u>\$686,567</u>	3%	100%
Total	<u><u>\$2,563,464</u></u>	<u><u>\$2,680,280</u></u>	<u><u>5%</u></u>	<u><u>\$2,687,292</u></u>	<u><u>5%</u></u>	<u><u>100%</u></u>

PORT WASHINGTON MUNICIPAL WATER UTILITY

Proposed 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 City of Port Washington has chosen to have the utility bill the retail general service customers for public fire protection service.

Bimonthly Public Fire Protection Service Charges:

5/8 -inch meter - \$	20.06	3 -inch meter - \$	300.00
3/4 -inch meter - \$	20.06	4 -inch meter - \$	500.00
1 -inch meter - \$	50.20	6 -inch meter - \$	1,000.00
1 1/4 -inch meter - \$	74.00	8 -inch meter - \$	1,600.00
1 1/2 -inch meter - \$	100.00	10 -inch meter - \$	2,400.00
2 -inch meter - \$	160.00	12 -inch meter - \$	3,200.00

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.

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.

Bimonthly Private Fire Protection Service Demand Charges:

2 - inch or smaller connection - \$	26.00
3 - inch connection - \$	48.00

4 - inch connection - \$	81.00
6 - inch connection - \$	162.00
8 - inch connection - \$	258.00
10 - inch connection - \$	388.00
12 - inch connection - \$	516.00
14 - inch connection - \$	648.00
16 - inch connection - \$	778.00

Billing: Same as Schedule Mg-1.

General Service - Metered - - - Mg-1

Bimonthly Service Charges:

5/8 -inch meter - \$	14.50	3 -inch meter - \$	94.00
3/4 -inch meter - \$	14.50	4 -inch meter - \$	141.00
1 -inch meter - \$	22.50	6 -inch meter - \$	260.00
1 1/4 -inch meter - \$	31.00	8 -inch meter - \$	390.00
1 1/2 -inch meter - \$	39.50	10 -inch meter - \$	564.00
2 -inch meter - \$	59.00	12 -inch meter - \$	740.00

Plus Volume Charges:

First	4,000	cubic feet used bimonthly - \$3.50 per 100 cubic feet
Next	76,000	cubic feet used bimonthly - \$3.40 per 100 cubic feet
Next	320,000	cubic feet used bimonthly - \$2.85 per 100 cubic feet
Over	400,000	cubic feet used bimonthly - \$2.40 per 100 cubic feet

Billing: Bills for water service are rendered bimonthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge shall be applied to the total unpaid balance for utility service, including unpaid late payment charges. 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 a residential customer with more than one meter on a single service lateral, volumetric reading from all meters shall be combined for billing. For a nonresidential customer, 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 not discharged into the sanitary sewer are not considered for utility convenience and may not be combined for billing. 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.

Other Charges - - - OC-1

Payment Not Honored by Financial Institution Charge: The utility shall assess a \$25.00 charge when a payment rendered for utility service is not honored by the customer’s financial institution. This charge may not be in addition to, but may be inclusive of, other such charges when the payment was for multiple services.

Special Billing Charge: The utility shall assess a \$10.00 charge to the requestor to cover administrative expenses whenever an existing customer or the property owner requests a special billing outside of the normal utility billing. This charge may not be assessed to a new customer.

Special Meter Reading Charge: The utility shall assess a \$15.00 charge to the requestor whenever an existing customer or the property owner 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 or the property owner provides the meter reading. This charge may not be assessed to a new customer.

Missed Appointment Charge: The utility shall assess a missed appointment charge when a customer, without providing reasonable cancellation notice, fails to be present at the customer’s location for an appointment scheduled with utility personnel. The utility may not apply the charge for the first such missed appointment during normal business hours. The utility shall apply the charge for the first such missed appointment after normal business hours.

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

Real Estate Closing Account Charge: The utility shall assess a \$10.00 charge whenever a customer or the customer’s agent requests written documentation from the utility of the customer’s account status in connection with a real estate closing.

Billing: Same as Schedule Mg-1.

Public Service - - - Mpa-1

Metered Service

Water used by the City of Port Washington 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.

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, 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 900 cubic feet of water bimonthly under Schedule Mg-1, including the service charge for a 5/8-inch meter. If the utility determines that actual usage exceeds 900 cubic feet of water bimonthly, 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

Seasonal customers are general service customers who voluntarily request disconnection of water service and who resume service at the same location within 12 months of the disconnection, unless service has been provided to another customer at that location in the intervening period. The utility shall bill seasonal customers the applicable service charges under Schedule Mg-1 year-round, including the period of temporary disconnection.

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.

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.

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:	\$50.00

Billing: Same as Schedule Mg-1.

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 paragraph A.
 - 2. Part of the contribution required in paragraph 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 paragraph 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 paragraph 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 paragraph 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.

Water Customer Supplemental Rules - - - X-4

Compliance with Rules

All persons now receiving water service from this water utility, or who may request service in the future, shall be considered as having agreed to be bound by the rules and regulations as filed with the Public Service Commission of Wisconsin.

Thawing Frozen Service Laterals

See Wis. Admin. Code § PSC 185.88.

Deferred Payment Agreement

See Wis. Admin. Code § PSC 185.38.

The utility shall offer deferred payment agreements to residential accounts and may offer such agreements to other customers. However, the utility will not offer a deferred payment agreement to a residential customer who is a tenant if the tenant has defaulted on a deferred payment agreement in the past 12 months. This criterion only applies to deferred payment agreements and not to other types of payment extensions or agreements.

**PORT WASHINGTON MUNICIPAL WATER UTILITY
Customer Water Bill Comparison at Present and Proposed Rates**

Customer Type	Meter Size	Volume (100 Cubic Feet)	<u>Bimonthly</u>			<u>Bimonthly Including Public Fire Protection</u>		
			Bills at Old Rates	Bills at New Rates	Percent Change	Bills at Old Rates	Bills at New Rates	Percent Change
Small Residential	5/8"	5	\$ 30.66	\$ 32.00	4%	\$ 50.13	\$ 52.06	4%
Average Residential	5/8"	9	\$ 44.06	\$ 46.00	4%	\$ 63.53	\$ 66.06	4%
Large Residential	5/8"	20	\$ 80.91	\$ 84.50	4%	\$ 100.38	\$ 104.56	4%
Large Residential	5/8"	30	\$ 114.41	\$ 119.50	4%	\$ 133.88	\$ 139.56	4%
Large Residential	3/4"	40	\$ 147.91	\$ 154.50	4%	\$ 167.38	\$ 174.56	4%
Multifamily Residential	3/4"	100	\$ 336.31	\$ 358.50	7%	\$ 355.78	\$ 378.56	6%
Multifamily Residential	1"	200	\$ 658.03	\$ 706.50	7%	\$ 707.47	\$ 756.70	7%
Multifamily Residential	1 1/2"	300	\$ 988.51	\$ 1,063.50	8%	\$ 1,085.33	\$ 1,163.50	7%
Multifamily Residential	2"	500	\$ 1,635.05	\$ 1,763.00	8%	\$ 1,790.58	\$ 1,923.00	7%
Commercial	1"	100	\$ 344.03	\$ 366.50	7%	\$ 393.47	\$ 416.70	6%
Commercial	1 1/2"	200	\$ 674.51	\$ 723.50	7%	\$ 771.33	\$ 823.50	7%
Commercial	2"	400	\$ 1,321.05	\$ 1,423.00	8%	\$ 1,476.58	\$ 1,583.00	7%
Commercial	4"	800	\$ 2,656.36	\$ 2,865.00	8%	\$ 3,142.52	\$ 3,365.00	7%
Industrial	1"	500	\$ 1,600.03	\$ 1,726.50	8%	\$ 1,649.47	\$ 1,776.70	8%
Industrial	3"	2,000	\$ 5,827.04	\$ 6,238.00	7%	\$ 6,118.53	\$ 6,538.00	7%
Industrial	4"	5,000	\$ 13,442.36	\$ 14,385.00	7%	\$ 13,928.52	\$ 14,885.00	7%
Industrial	6"	15,000	\$ 35,655.66	\$ 38,504.00	8%	\$ 36,627.98	\$ 39,504.00	8%
Public Authority	1"	100	\$ 344.03	\$ 366.50	7%	\$ 393.47	\$ 416.70	6%
Public Authority	1 1/2"	200	\$ 674.51	\$ 723.50	7%	\$ 771.33	\$ 823.50	7%
Public Authority	2"	500	\$ 1,635.05	\$ 1,763.00	8%	\$ 1,790.58	\$ 1,923.00	7%
Public Authority	3"	1,200	\$ 3,683.04	\$ 3,958.00	7%	\$ 3,974.53	\$ 4,258.00	7%

PORT WASHINGTON MUNICIPAL WATER UTILITY

**Schedule of Water Depreciation Rates
Effective January 1, 2017**

<u>Account Number</u>	<u>Class of Plant</u>	<u>Depr. Rate</u>
	SOURCE OF SUPPLY PLANT	
312	Collecting and Impounding Reservoirs	1.7%
313	Lake, River and Other Intakes	1.7%
316	Supply Mains	1.8%
	PUMPING PLANT	
321	Structures and Improvements	3.2%
325	Electric Pumping Equipment	4.4%
328	Other Pumping Equipment	4.4%
	WATER TREATMENT EQUIPMENT	
331	Structures and Improvements	3.2%
332	Sand and Other Media Filtration Equipment	3.3%
334	Other Water Treatment Equipment	6.0%
	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%
349	Other Transmission and Distribution Plant	5.0%
	GENERAL PLANT	
391	Office Furniture and Equipment	5.8%
391.1	Office Equipment-Computers	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 System	9.2%
398	Miscellaneous Equipment	5.8%