



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

July 26, 2017 – VIA E-MAIL

Ms. Peggy Steeno, Finance Director
West Allis Municipal Water Utility
6300 W. McGeoch Avenue
West Allis, WI 53219
E-Mail: PSteen0@westalliswi.gov

Re: Application of the City of West Allis, Milwaukee County, 6360-WR-109
Wisconsin, as a Water Public Utility, for Authority to
Adjust Water Rates

Dear Ms. Steeno:

The Public Service Commission (Commission) staff has analyzed your application for a water rate increase. The application was received on January 30, 2017. 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, which will be scheduled at a later date.

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

| | | |
|---|----|-----------|
| Operation and Maintenance Expenses | \$ | 5,928,409 |
| Depreciation Expense | \$ | 695,259 |
| Property Tax Equivalent and Other Taxes | \$ | 1,030,748 |
| Return on Rate Base | \$ | 1,102,037 |
| Total | \$ | 8,756,453 |

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 \$622,486, of which \$535,712 would be from general service customers and \$86,774 would be from the public fire protection charge.

The increase in water utility revenues results because of a 34.57 percent increase in gross plant investment and a 11.93 percent increase in operating expenses since your last water rate case in 2011.

The rates authorized in your last rate case were adjusted for inflation through the Simplified Rate Case (SRC) process in 2014 and 2015.

We have selected some customers for comparison of proposed and present rates (see Schedule 14 of the enclosed staff exhibit).

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.
- Per your request, we have established Schedule X-4, Water Utility Supplemental Customer Rules, to include the situation in which the utility would deny a Deferred Payment Agreement (DPA) to a residential tenant. Schedule X-4 will also include language regarding leak credits offered to water customers.

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.

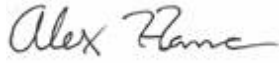
We are recommending to the Commission that your water utility's filed rules and regulations be updated in order to reflect the latest requirements in Wis. Admin. Code ch. PSC 185. A copy is enclosed.

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 contact me.

Ms. Peggy Steeno
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Sincerely,

A handwritten signature in cursive script that reads "Alex Hanna".

Alex Hanna
Public Utility Rate Analyst
Public Service Commission of Wisconsin
Division of Water, Telecommunications, and Consumer Affairs
(608) 267-2336 | Alex.Hanna@wisconsin.gov

AJH:DL:01555144

Enclosures

cc: Karyn Rittenhouse, Customer Service Supervisor, City of West Allis
DPW/Engineering - Water Division, E-Mail: krittenhouse@westalliswi.gov

Docket No. 6360-WR-109

Witness: Alex Hanna

Exhibit No. _____

WEST ALLIS MUNICIPAL WATER UTILITY

| | <u>Schedule</u> |
|--|-----------------|
| Comparative Income Statement | 1 |
| Net Investment Rate Base | 2 |
| Utility Financed Plant in Service and Depreciation Expense | 3 |
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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 | 0 | 0 | 0 | 0 | 0 |
| | Irrigation | 0 | 0 | 0 | 0 | 0 |
| 461 | Metered Sales to General Customers | | | | | |
| | Residential | 3,641,331 | 3,642,230 | 3,877,862 | 3,746,192 | 3,935,625 |
| | Multi-Family Residential | 0 | 663,957 | 641,597 | 652,286 | 761,846 |
| | Commercial | 1,723,362 | 1,065,360 | 1,186,979 | 1,100,000 | 1,213,668 |
| | Industrial | 204,158 | 218,371 | 245,762 | 223,986 | 239,849 |
| | Public Authority | 346,592 | 356,115 | 369,210 | 360,000 | 357,764 |
| | Irrigation | 0 | 0 | 0 | 0 | 0 |
| | TOTAL GENERAL SALES | \$ 5,915,443 | \$ 5,946,033 | \$ 6,321,410 | \$ 6,082,464 | \$ 6,508,752 |
| 462 | Private fire protection service | \$ 68,516 | \$ 67,896 | \$ 68,509 | \$ 69,607 | \$ 64,324 |
| 463 | Public fire protection service | 1,232,084 | 1,249,207 | 1,190,720 | 1,121,829 | 1,223,891 |
| 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 | 87,877 | 87,331 | 104,095 | 106,018 | 112,000 |
| 472 | Rents from water property | 136,446 | 130,849 | 150,980 | 170,000 | 115,000 |
| 473 | Interdepartmental rents | 0 | 0 | 0 | 0 | 0 |
| 474 | Other water revenues | 82,909 | 82,901 | 103,992 | 89,000 | 110,000 |
| | TOTAL OPERATING REVENUES | \$ 7,523,275 | \$ 7,564,217 | \$ 7,939,706 | \$ 7,638,918 | \$ 8,133,967 |
| | 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 | 2,379,995 | 2,583,385 | 2,739,282 | 2,817,953 | 2,801,134 |
| 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 | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 | 0 |
| 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 | 101,935 | 112,770 | 102,634 | 109,333 | 108,500 |
| 624 | Pumping labor and expenses | 24,041 | 23,543 | 22,560 | 25,072 | 25,000 |
| 625 | Expenses transferred--credit | 0 | 0 | 0 | 0 | 0 |
| 626 | Miscellaneous expenses | 4,133 | 6,798 | 2,440 | 2,939 | 4,000 |
| 627 | Rents | 0 | 0 | 0 | 0 | 0 |
| 630 | Maintenance supervision and engineering | 0 | 0 | 0 | 0 | 0 |
| 631 | Maintenance of structures and improvements | 0 | 0 | 0 | 0 | 0 |
| 632 | Maintenance of power production equipment | 0 | 0 | 0 | 0 | 0 |
| 633 | Maintenance of pumping equipment | 35,440 | 32,412 | 33,603 | 47,809 | 35,000 |

COMPARATIVE INCOME STATEMENT
(continued)

| ACCT NO. | OPERATING EXPENSES | TEST YEAR | | | | |
|--|--|--------------|--------------|--------------|--------------|--------------|
| | | 2013 | 2014 | 2015 | 2016 | 2017 |
| WATER TREATMENT EXPENSES | | | | | | |
| 640 | Operation supervision and engineering | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 641 | Chemicals | 4,915 | 3,141 | 3,598 | 3,451 | 4,000 |
| 642 | Operation labor and expenses | 32,313 | 33,557 | 38,336 | 36,287 | 37,000 |
| 643 | Miscellaneous expenses | 0 | 0 | 0 | 0 | 0 |
| 644 | Rents | 0 | 0 | 0 | 0 | 0 |
| 650 | Maintenance supervision and engineering | 0 | 0 | 0 | 0 | 0 |
| 651 | Maintenance of structures and improvements | 0 | 0 | 0 | 0 | 0 |
| 652 | Maintenance of water treatment equipment | 0 | 0 | 0 | 0 | 0 |
| TRANS & DISTRIBUTION EXPENSES | | | | | | |
| 660 | Operation supervision and engineering | \$ 115,481 | \$ 140,929 | \$ 133,155 | \$ 126,059 | \$ 130,000 |
| 661 | Storage facilities expenses | 0 | 0 | 0 | 0 | 82,000 |
| 662 | Transmission and distribution expenses | 0 | 0 | 0 | 0 | 0 |
| 663 | Meter expenses | 26,677 | 29,606 | 14,357 | 21,982 | 26,000 |
| 664 | Customer installations expenses | 0 | 0 | 0 | 0 | 0 |
| 665 | Miscellaneous expenses | 104,273 | 82,593 | 67,317 | 59,588 | 63,500 |
| 666 | Rents | 95,241 | 185,539 | 71,257 | 74,000 | 97,000 |
| 670 | Maintenance supervision and engineering | 0 | 0 | 0 | 0 | 0 |
| 671 | Maintenance of structures and improvements | 0 | 0 | 14 | 0 | 0 |
| 672 | Maintenance of distr.reservoirs and standpipes | 196,304 | 217,458 | 221,527 | 191,680 | 130,675 |
| 673 | Maintenance of transmission and distr. mains | 887,791 | 712,590 | 487,739 | 466,564 | 630,700 |
| 675 | Maintenance of services | 211,707 | 181,794 | 214,263 | 185,064 | 225,000 |
| 676 | Maintenance of meters | 65,070 | 57,178 | 99,226 | 65,686 | 80,000 |
| 677 | Maintenance of hydrants | 146,629 | 111,221 | 123,925 | 109,387 | 120,000 |
| 678 | Maintenance of miscellaneous plant | 42,281 | 40,663 | 44,601 | 37,823 | 40,000 |
| CUSTOMER ACCOUNTS EXPENSES | | | | | | |
| 901 | Supervision | 6,040 | 5,982 | 6,322 | 6,500 | 6,000 |
| 902 | Meter reading labor | 24,134 | 18,354 | 18,814 | 16,856 | 18,000 |
| 903 | Customer records and collection expenses | 136,762 | 148,965 | 153,279 | 146,978 | 155,000 |
| 904 | Uncollectible accounts | 4,960 | 16,995 | 12,312 | 11,500 | 12,000 |
| 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 | 22,945 | 22,404 | 27,430 | 27,000 | 27,000 |
| 921 | Office supplies and expenses | 28,261 | 21,578 | 28,088 | 25,161 | 25,000 |
| 922 | Administrative expenses transferred -- credit | 0 | 0 | 0 | 0 | 0 |
| 923 | Outside services employed | 42,521 | 84,389 | 59,846 | 61,215 | 42,400 |
| 924 | Property insurance | 21,492 | 21,000 | 22,718 | 23,000 | 21,000 |
| 925 | Injuries and damages | 0 | 456 | 0 | 0 | 0 |
| 926 | Employee pensions and benefits | 911,349 | 909,208 | 860,439 | 851,173 | 885,000 |
| 928 | Regulatory commission expenses | 0 | 0 | 0 | 0 | 18,000 |
| 929 | Duplicate charges -- credit | 0 | 0 | 0 | 0 | 0 |
| 930 | Miscellaneous general expenses | 37,440 | 42,851 | 48,651 | 48,000 | 48,000 |
| 931 | Rents | 6,856 | 7,624 | 6,464 | 6,500 | 6,500 |
| 932 | Maintenance of general plant | 28,558 | 1,387 | 42,854 | 24,839 | 25,000 |
| TOTAL OPER. & MAINT. EXPENSES | | \$ 5,745,544 | \$ 5,856,370 | \$ 5,707,051 | \$ 5,629,400 | \$ 5,928,409 |
| 403 | DEPRECIATION EXPENSE | 515,052 | 546,591 | 561,025 | 810,010 | 695,259 |
| 404-407 | AMORTIZATION EXPENSE | 0 | 0 | 0 | 0 | 0 |
| 408 | TAXES AND TAX EQUIVALENT | 888,681 | 878,052 | 944,120 | 991,125 | 1,030,748 |
| TOTAL OPERATING EXPENSES | | \$ 7,149,277 | \$ 7,281,013 | \$ 7,212,196 | \$ 7,430,535 | \$ 7,654,416 |
| NET OPERATING INCOME | | \$ 373,998 | \$ 283,204 | \$ 727,510 | \$ 208,383 | \$ 479,551 |

NET INVESTMENT RATE BASE

| | | |
|--|----|--------------------------|
| UTILITY FINANCED PLANT IN SERVICE | \$ | 33,026,086 |
| Less: ACCUMULATED PROVISION FOR DEPRECIATION | | <u>10,339,751</u> |
| NET PLANT IN SERVICE | \$ | 22,686,335 |
| Plus: MATERIALS AND SUPPLIES | | 337,500 |
| Less: REGULATORY LIABILITY | | <u>983,093</u> |
| NET INVESTMENT RATE BASE | \$ | <u><u>22,040,742</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>8,133,967</u> | \$ <u>622,486</u> | \$ <u>8,756,453</u> |
| OPERATING EXPENSES: | | | |
| OPERATION & MAINTENANCE EXPENSES | \$ 5,928,409 | | \$ 5,928,409 |
| DEPRECIATION EXPENSE | 695,259 | | 695,259 |
| AMORTIZATION EXPENSE | 0 | | 0 |
| TAXES AND TAX EQUIVALENT | <u>1,030,748</u> | | <u>1,030,748</u> |
| TOTAL OPERATING EXPENSES | \$ <u>7,654,416</u> | | \$ <u>7,654,416</u> |
| NET OPERATING INCOME (LOSS) | \$ <u>479,551</u> | | \$ <u><u>1,102,037</u></u> |
| RATE OF RETURN ON RATE BASE | 2.18% | | 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 Less Retirements (\$)</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>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 | 139,592 | 0 | 0 | 0 | 139,592 | 139,592 | Fully Depr. | 0 |
| 312 | Collecting and impounding reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 1.70% | 0 |
| 313 | Lake, river, and other intakes | 0 | 0 | 0 | 0 | 0 | 0 | 1.70% | 0 |
| 314 | Wells and springs | 0 | 0 | 0 | 0 | 0 | 0 | 2.90% | 0 |
| 316 | Supply mains | 0 | 0 | 0 | 0 | 0 | 0 | 1.80% | 0 |
| 317 | Other water source plant | 0 | 0 | 0 | 0 | 0 | 0 | 4.50% | 0 |
| PUMPING PLANT | | | | | | | | | |
| 320 | Land and land rights | 7,990 | 0 | 0 | 0 | 7,990 | 7,990 | N/A | 0 |
| 321 | Structures and improvements | 242,274 | 0 | 0 | 0 | 242,274 | 242,274 | Fully Depr. | 4,247 |
| 323 | Other power production equipment | 0 | 0 | 0 | 0 | 0 | 0 | 4.40% | 0 |
| 325 | Electric pumping equipment | 776,623 | 0 | 0 | 0 | 776,623 | 776,623 | 4.40% | 34,171 |
| 326 | Diesel pumping equipment | 0 | 0 | 0 | 0 | 0 | 0 | 4.40% | 0 |
| 328 | Other pumping equipment | 0 | 0 | 0 | 0 | 0 | 0 | 4.40% | 0 |
| WATER TREATMENT PLANT | | | | | | | | | |
| 330 | Land and land rights | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 |
| 331 | Structures and improvements | 0 | 0 | 0 | 0 | 0 | 0 | 3.20% | 0 |
| 332 | Sand or Other Media Filtration Equip | 0 | 0 | 0 | 0 | 0 | 0 | 3.30% | 0 |
| 333 | Membrane Filtration Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 6.00% | 0 |
| 334 | Other Water Treatment Equipment | 14,363 | 0 | 0 | 0 | 14,363 | 14,363 | Fully Depr. | 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 | 50,000 | 0 | 0 | 0 | 50,000 | 50,000 | N/A | 0 |
| 341 | Structures and improvements | 0 | 0 | 0 | 0 | 0 | 0 | 3.20% | 0 |
| 342 | Distribution reservoirs and standpipes | 2,244,753 | 0 | 0 | 0 | 2,244,753 | 2,244,753 | 1.90% | 42,650 |
| 343 | Transmission and distribution mains | 12,859,740 | 0 | 900,000 | 60,000 | 13,699,740 | 13,279,740 | 1.30% | 172,637 |
| 345 | Services | 4,779,756 | 0 | 850,000 | 30,000 | 5,599,756 | 5,189,756 | 2.90% | 150,503 |
| 346 | Meters | 3,013,235 | 0 | 722,751 | 150,000 | 3,585,986 | 3,299,611 | 5.50% | 90,740 |
| 348 | Hydrants | 5,744,932 | 0 | 340,000 | 50,000 | 6,034,932 | 5,889,932 | 2.20% | 129,579 |
| 349 | Other transmission and distr. plant | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | 0 |
| GENERAL PLANT | | | | | | | | | |
| 389 | Land and land rights | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 |
| 390 | Structures and improvements | 114,862 | 0 | 0 | 0 | 114,862 | 114,862 | 2.90% | 3,331 |
| 391 | Office furniture and equipment | 23,679 | 0 | 0 | 0 | 23,679 | 23,679 | Fully Depr. | 0 |
| 391 | Office furniture & equip - Computers | 406,687 | 0 | 0 | 0 | 406,687 | 406,687 | Fully Depr. | 0 |
| 392 | Transportation equipment | 736,306 | 0 | 155,000 | 83,600 | 807,706 | 772,006 | UNIT | 52,479 |
| 393 | Stores equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.80% | 0 |
| 394 | Tools, shop and garage equipment | 68,711 | 0 | 0 | 0 | 68,711 | 68,711 | Fully Depr. | 0 |
| 395 | Laboratory equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.80% | 0 |
| 396 | Power operated equipment | 223,983 | 0 | 0 | 0 | 223,983 | 223,983 | UNIT | 14,923 |
| 397 | Communication equipment | 241,821 | 0 | 0 | 0 | 241,821 | 241,821 | Fully Depr. | 0 |
| 397 | SCADA equipment | 0 | 0 | 0 | 0 | 0 | 0 | 9.20% | 0 |
| 398 | Miscellaneous equipment | 39,703 | 0 | 0 | 0 | 39,703 | 39,703 | Fully Depr. | 0 |
| TOTAL UTILITY FINANCED PLANT IN SERVICE | | 31,729,010 | 0 | 2,967,751 | 373,600 | 34,323,161 | 33,026,086 | | 695,259 |

WEST ALLIS MUNICIPAL WATER UTILITY

SYSTEM DEMAND RATIOS

MAXIMUM DAY SYSTEM DEMAND

TOTAL ANNUAL PUMPAGE 1,897,354,382 Gallons

AVERAGE DAILY PUMPAGE 5,198,231 Gallons

MAXIMUM DAY PUMPAGE 7,797,347 Gallons

FIRE FLOW:

| | | |
|------------------|-----------|---------|
| GAL/MIN | 6,000 | |
| DURATION (HOURS) | 6 | |
| TOTAL FLOW | 2,160,000 | Gallons |

AVERAGE DAY PLUS FIRE FLOW 7,358,231 Gallons

RATIO: BASE = $\frac{5,198,231}{7,797,347}$ = 66.67%

MAX DAY = 100-BASE = 33.33%

MAXIMUM HOUR SYSTEM DEMAND

AVERAGE HOUR ON MAX DAY 324,889 Gallons

MAXIMUM HOUR PUMPAGE 487,334 Gallons

AVERAGE HOUR PLUS ONE HOUR FIRE FLOW 576,593 Gallons

RATIO: BASE = $\frac{5,198,231}{13,838,231}$ = 37.56% Use 37.56%

MAX HOUR = 100-BASE = 62.44% Use 62.44%

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

| 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 (\$) | | | | |
| 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 | 139,592 | 93,061 | | | 46,531 | | | | | | | |
| 312 | Collecting and impounding reservoirs | 0 | 0 | | | 0 | | | | | | | |
| 313 | Lake, river, and other intakes | 0 | 0 | | | 0 | | | | | | | |
| 314 | Wells and springs | 0 | 0 | | | 0 | | | | | | | |
| 316 | Supply mains | 0 | 0 | | | 0 | | | | | | | |
| 317 | Other water source plant | 0 | 0 | | | 0 | | | | | | | |
| PUMPING PLANT | | | | | | | | | | | | | |
| 320 | Land and land rights | 7,990 | 5,327 | | | 2,663 | | | | | | | |
| 321 | Structures and improvements | 242,274 | 161,516 | | | 80,758 | | | | | | | |
| 323 | Other power production equipment | 0 | 0 | | | 0 | | | | | | | |
| 325 | Electric pumping equipment | 776,623 | 517,749 | | | 258,874 | | | | | | | |
| 326 | Diesel pumping equipment | 0 | 0 | | | 0 | | | | | | | |
| 328 | Other pumping equipment | 0 | 0 | | | 0 | | | | | | | |
| WATER TREATMENT PLANT | | | | | | | | | | | | | |
| 330 | Land and land rights | 0 | 0 | | | 0 | | | | | | | |
| 331 | Structures and improvements | 0 | 0 | | | 0 | | | | | | | |
| 332 | Sand or Other Media Filtration Equip | 0 | 0 | | | 0 | | | | | | | |
| 333 | Membrane Filtration Equipment | 0 | 0 | | | 0 | | | | | | | |
| 334 | Other Water Treatment Equipment | 14,363 | 9,575 | | | 4,788 | | | | | | | |

**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 | 50,000 | 12,319 | 2,194 | 5,454 | 0 | 0 | 3,647 | 2,343 | 0 | 5,517 | 8,677 | 9,848 |
| 341 | Structures and improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 342 | Distribution reservoirs and standpipes | 2,244,753 | 843,225 | | | | | | 1,401,528 | | | | |
| 343 | Transmission mains | 9,786,328 | 6,524,219 | | 3,262,109 | | | | | | | | |
| 343 | Distribution mains | 3,493,412 | | 1,312,275 | | | | 2,181,137 | | | | | |
| 345 | Services | 5,189,756 | | | | | | | | | | 5,189,756 | |
| 346 | Meters | 3,299,611 | | | | | | | | | 3,299,611 | | |
| 348 | Hydrants | 5,889,932 | | | | | | | | | | | 5,889,932 |
| 349 | Other transmission and distr. plant | 0 | 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 | 0 |
| 390 | Structures and improvements | 114,862 | 30,130 | 4,849 | 13,507 | 0 | 0 | 8,060 | 5,179 | 0 | 12,193 | 19,178 | 21,765 |
| 391 | Office furniture and equipment | 23,679 | 6,211 | 1,000 | 2,784 | 0 | 0 | 1,662 | 1,068 | 0 | 2,514 | 3,954 | 4,487 |
| 391 | Office furniture & equip - Computers | 406,687 | 106,679 | 17,170 | 47,823 | 0 | 0 | 28,538 | 18,338 | 0 | 43,172 | 67,903 | 77,064 |
| 392 | Transportation equipment | 772,006 | 202,506 | 32,593 | 90,782 | 0 | 0 | 54,173 | 34,810 | 0 | 81,953 | 128,899 | 146,289 |
| 393 | Stores equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 394 | Tools, shop and garage equipment | 68,711 | 18,024 | 2,901 | 8,080 | 0 | 0 | 4,822 | 3,098 | 0 | 7,294 | 11,472 | 13,020 |
| 395 | Laboratory equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 396 | Power operated equipment | 223,983 | 58,753 | 9,456 | 26,339 | 0 | 0 | 15,717 | 10,099 | 0 | 23,777 | 37,398 | 42,443 |
| 397 | Communication equipment | 241,821 | 63,433 | 10,209 | 28,436 | 0 | 0 | 16,969 | 10,904 | 0 | 25,671 | 40,376 | 45,823 |
| 397 | SCADA equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 398 | Miscellaneous equipment | 39,703 | 10,415 | 1,676 | 4,669 | 0 | 0 | 2,786 | 1,790 | 0 | 4,215 | 6,629 | 7,523 |
| TOTAL | | 33,026,086 | 8,663,141 | 1,394,324 | 3,883,597 | 0 | 0 | 2,317,511 | 1,489,157 | 0 | 3,505,917 | 5,514,242 | 6,258,196 |

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

| ACCT NO. | ACCOUNT DESCRIPTION | EXTRA-CAPACITY | | | | | | | | | Fire Protection (\$) | | |
|------------------------------|--------------------------------------|----------------|-------------|-------------------|-------------|-------------------|--------------|-------------|-------------------|----------------|----------------------|-----------------------|-------------------------|
| | | TOTAL (\$) | BASE COSTS | | MAX DAY | | | MAX HOUR | | CUSTOMER COSTS | | | |
| | | | System (\$) | Distribution (\$) | System (\$) | Distribution (\$) | Storage (\$) | System (\$) | Distribution (\$) | Billing (\$) | | Equivalent Meter (\$) | Equivalent Service (\$) |
| INTANGIBLE PLANT | | | | | | | | | | | | | |
| 301 | Organization | 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 | |
| 303 | Miscellaneous intangible plant | 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 | 139,592 | 93,061 | | 46,531 | | | | | | | | |
| 312 | Collecting and impounding reservoirs | 0 | 0 | | 0 | | | | | | | | |
| 313 | Lake, river, and other intakes | 0 | 0 | | 0 | | | | | | | | |
| 314 | Wells and springs | 0 | 0 | | 0 | | | | | | | | |
| 316 | Supply mains | 0 | 0 | | 0 | | | | | | | | |
| 317 | Other water source plant | 0 | 0 | | 0 | | | | | | | | |
| PUMPING PLANT | | | | | | | | | | | | | |
| 320 | Land and land rights | 7,990 | 5,327 | | 2,663 | | | | | | | | |
| 321 | Structures and improvements | 242,274 | 161,516 | | 80,758 | | | | | | | | |
| 323 | Other power production equipment | 0 | 0 | | 0 | | | | | | | | |
| 325 | Electric pumping equipment | 776,623 | 517,749 | | 258,874 | | | | | | | | |
| 326 | Diesel pumping equipment | 0 | 0 | | 0 | | | | | | | | |
| 328 | Other pumping equipment | 0 | 0 | | 0 | | | | | | | | |
| WATER TREATMENT PLANT | | | | | | | | | | | | | |
| 330 | Land and land rights | 0 | 0 | | 0 | | | | | | | | |
| 331 | Structures and improvements | 0 | 0 | | 0 | | | | | | | | |
| 332 | Sand or Other Media Filtration Equip | 0 | 0 | | 0 | | | | | | | | |
| 333 | Membrane Filtration Equipment | 0 | 0 | | 0 | | | | | | | | |
| 334 | Other Water Treatment Equipment | 14,363 | 9,575 | | 4,788 | | | | | | | | |

**ALLOCATION OF TOTAL 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 | 50,000 | 8,916 | 5,701 | 3,948 | 0 | 0 | 9,476 | 1,696 | 0 | 5,153 | 7,768 | 7,341 |
| 341 | Structures and improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 342 | Distribution reservoirs and standpipes | 2,244,753 | 843,225 | | | | | | 1,401,528 | | | | |
| 343 | Transmission mains | 9,786,328 | 6,524,219 | | 3,262,109 | | | | | | | | |
| 343 | Distribution mains | 12,540,887 | | 4,710,893 | | | | 7,829,994 | | | | | |
| 345 | Services | 6,418,256 | | | | | | | | | | 6,418,256 | |
| 346 | Meters | 4,258,157 | | | | | | | | 4,258,157 | | | |
| 348 | Hydrants | 6,065,993 | | | | | | | | | | | 6,065,993 |
| 349 | Other transmission and distr. plant | 0 | 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 | 0 |
| 390 | Structures and improvements | 114,862 | 22,040 | 12,734 | 9,880 | 0 | 0 | 21,165 | 3,788 | 0 | 11,510 | 17,349 | 16,397 |
| 391 | Office furniture and equipment | 23,679 | 4,544 | 2,625 | 2,037 | 0 | 0 | 4,363 | 781 | 0 | 2,373 | 3,576 | 3,380 |
| 391 | Office furniture & equip - Computers | 406,687 | 78,035 | 45,086 | 34,983 | 0 | 0 | 74,937 | 13,413 | 0 | 40,753 | 61,426 | 58,055 |
| 392 | Transportation equipment | 772,006 | 148,133 | 85,585 | 66,407 | 0 | 0 | 142,251 | 25,462 | 0 | 77,360 | 116,604 | 110,204 |
| 393 | Stores equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 394 | Tools, shop and garage equipment | 68,711 | 13,184 | 7,617 | 5,910 | 0 | 0 | 12,661 | 2,266 | 0 | 6,885 | 10,378 | 9,809 |
| 395 | Laboratory equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 396 | Power operated equipment | 223,983 | 42,978 | 24,831 | 19,267 | 0 | 0 | 41,272 | 7,387 | 0 | 22,445 | 33,830 | 31,974 |
| 397 | Communication equipment | 241,821 | 46,401 | 26,808 | 20,801 | 0 | 0 | 44,558 | 7,976 | 0 | 24,232 | 36,525 | 34,520 |
| 397 | SCADA equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 398 | Miscellaneous equipment | 39,703 | 7,618 | 4,402 | 3,415 | 0 | 0 | 7,316 | 1,309 | 0 | 3,979 | 5,997 | 5,668 |
| | TOTAL | 44,436,668 | 8,526,521 | 4,926,282 | 3,822,371 | 0 | 0 | 8,187,993 | 1,465,608 | 0 | 4,452,846 | 6,711,708 | 6,343,339 |

**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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 313 | Lake, river, and other intakes | 0 | 0 | 0 | 0 | 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 | 0 | 0 | 0 | 0 | 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 | 4,247 | 2,831 | 1,416 | 0 | 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 | 34,171 | 22,781 | 11,390 | 0 | 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 | 0 | 0 | 0 | 0 | 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 | 42,650 | 16,021 | | | | | 26,629 | | | | | |
| 343 | Transmission mains | 127,223 | 84,815 | | 42,408 | | | | | | | | |
| 343 | Distribution mains | 45,414 | | 17,060 | | | 28,355 | | | | | | |
| 345 | Services | 150,503 | | | | | | | | | 150,503 | | |
| 346 | Meters | 90,740 | | | | | | | | 90,740 | | | |
| 348 | Hydrants | 129,579 | | | | | | | | | | 129,579 | |
| 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 | 3,331 | 674 | 91 | 294 | 0 | 0 | 151 | 142 | 0 | 484 | 803 | 691 |
| 391 | Office furniture and equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 391 | Office furniture & equip - Computers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 392 | Transportation equipment | 52,479 | 10,625 | 1,434 | 4,640 | 0 | 0 | 2,383 | 2,238 | 0 | 7,625 | 12,647 | 10,888 |
| 393 | Stores equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 394 | Tools, shop and garage equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 395 | Laboratory equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 396 | Power operated equipment | 14,923 | 3,021 | 408 | 1,319 | 0 | 0 | 678 | 636 | 0 | 2,168 | 3,596 | 3,096 |
| 397 | Communication equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 397 | SCADA equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 398 | Miscellaneous equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 695,259 | 140,769 | 18,992 | 61,467 | 0 | 0 | 31,566 | 29,645 | 0 | 101,016 | 167,549 | 144,255 |

**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 (\$) |
| SOURCE OF SUPPLY | | | | | | | | | | | | |
| 600 | Operation labor | 0 | 0 | | 0 | | | | | | | |
| 601 | Operation labor and expenses | 0 | 0 | | 0 | | | | | | | |
| 602 | Purchased water | 2,801,134 | 2,729,110 | | | | | | | | | 72,024 |
| 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 | 0 | 0 | | 0 | | | | | | | |
| 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 | 0 | 0 | | 0 | | | | | | | |
| 621 | Fuel for power production | 0 | 0 | | | | | | | | | |
| 622 | Power production labor and expenses | 0 | 0 | | | | | | | | | |
| 623 | Fuel or power purchased for production | 108,500 | 108,500 | | | | | | | | | |
| 624 | Pumping labor and expenses | 25,000 | 16,667 | | 8,333 | | | | | | | |
| 625 | Expenses transferred--credit | 0 | 0 | | 0 | | | | | | | |
| 626 | Miscellaneous expenses | 4,000 | 2,667 | | 1,333 | | | | | | | |
| 627 | Rents | 0 | 0 | | 0 | | | | | | | |
| 630 | Maintenance supervision and engineering | 0 | 0 | | 0 | | | | | | | |
| 631 | Maintenance of structures and improvements | 0 | 0 | | 0 | | | | | | | |
| 632 | Maintenance of power production equipment | 0 | 0 | | 0 | | | | | | | |
| 633 | Maintenance of pumping equipment | 35,000 | 23,333 | | 11,667 | | | | | | | |
| WATER TREATMENT EXPENSES | | | | | | | | | | | | |
| 640 | Operation supervision and engineering | 0 | 0 | | 0 | | | | | | | |
| 641 | Chemicals | 4,000 | 4,000 | | | | | | | | | |
| 642 | Operation labor and expenses | 37,000 | 24,667 | | 12,333 | | | | | | | |
| 643 | Miscellaneous expenses | 0 | 0 | | 0 | | | | | | | |
| 644 | Rents | 0 | 0 | | 0 | | | | | | | |
| 650 | Maintenance supervision and engineering | 0 | 0 | | 0 | | | | | | | |
| 651 | Maintenance of structures and improvements | 0 | 0 | | 0 | | | | | | | |
| 652 | Maintenance of water treatment equipment | 0 | 0 | | 0 | | | | | | | |

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

| 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 | |
| (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | | |
| TRANSMISSION & DISTRIBUTION EXPENSES | | | | | | | | | | | | | |
| 660 | Operation supervision and engineering | 130,000 | 19,341 | 17,418 | 5,659 | 0 | 0 | 28,950 | 13,336 | 0 | 10,646 | 22,598 | 12,052 |
| 661 | Storage facilities expenses | 82,000 | 30,803 | | | | | | 51,197 | | | | |
| 662 | Transmission lines expenses | 0 | 0 | | 0 | | | | | | | | |
| 662 | Distribution lines expenses | 0 | | 0 | | | | 0 | | | | | |
| 663 | Meter expenses | 26,000 | | | | | | | | | 26,000 | | |
| 664 | Customer installations expenses | 0 | | | | | | | | | | 0 | |
| 665 | Miscellaneous expenses | 63,500 | 9,447 | 8,508 | 2,764 | 0 | 0 | 14,141 | 6,514 | 0 | 5,200 | 11,038 | 5,887 |
| 666 | Rents | 97,000 | 14,432 | 12,996 | 4,222 | 0 | 0 | 21,601 | 9,951 | 0 | 7,944 | 16,861 | 8,993 |
| 670 | Maintenance supervision and engineering | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 130,675 | 49,087 | | | | | | 81,588 | | | | |
| 673 | Maintenance of transmission mains | 169,029 | 112,686 | | 56,343 | | | | | | | | |
| 673 | Maintenance of distribution mains | 461,671 | | 173,423 | | | | 288,248 | | | | | |
| 675 | Maintenance of services | 225,000 | | | | | | | | | | 225,000 | |
| 676 | Maintenance of meters | 80,000 | | | | | | | | | 80,000 | | |
| 677 | Maintenance of hydrants | 120,000 | | | | | | | | | | | 120,000 |
| 678 | Maintenance of miscellaneous plant | 40,000 | 5,951 | 5,359 | 1,741 | 0 | 0 | 8,908 | 4,103 | 0 | 3,276 | 6,953 | 3,708 |
| CUSTOMER ACCOUNTS EXPENSES | | | | | | | | | | | | | |
| 901 | Supervision | 6,000 | | | | | | | | 6,000 | | | |
| 902 | Meter reading labor | 18,000 | | | | | | | | 18,000 | | | |
| 903 | Customer records and collection expenses | 155,000 | | | | | | | | 155,000 | | | |
| 904 | Uncollectible accounts | 12,000 | | | | | | | | 12,000 | | | |
| 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 | 27,000 | 4,630 | 3,261 | 1,564 | 0 | 0 | 5,421 | 2,497 | 1,145 | 1,993 | 4,231 | 2,257 |
| 921 | Office supplies and expenses | 25,000 | 4,287 | 3,020 | 1,448 | 0 | 0 | 5,019 | 2,312 | 1,060 | 1,846 | 3,918 | 2,090 |
| 922 | Administrative expenses transferred -- credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 923 | Outside services employed | 42,400 | 7,271 | 5,122 | 2,456 | 0 | 0 | 8,513 | 3,922 | 1,797 | 3,130 | 6,645 | 3,544 |
| 924 | Property insurance | 21,000 | 4,029 | 2,328 | 1,806 | 0 | 0 | 3,870 | 693 | 0 | 2,104 | 3,172 | 2,998 |
| 925 | Injuries and damages | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 926 | Employee pensions and benefits | 885,000 | 151,773 | 106,903 | 51,263 | 0 | 0 | 177,684 | 81,852 | 37,516 | 65,341 | 138,696 | 73,971 |
| 928 | Regulatory commission expenses | 18,000 | 3,087 | 2,174 | 1,043 | 0 | 0 | 3,614 | 1,665 | 763 | 1,329 | 2,821 | 1,505 |
| 929 | Duplicate charges -- credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 930 | Miscellaneous general expenses | 48,000 | 8,232 | 5,798 | 2,780 | 0 | 0 | 9,637 | 4,439 | 2,035 | 3,544 | 7,523 | 4,012 |
| 931 | Rents | 6,500 | 1,115 | 785 | 377 | 0 | 0 | 1,305 | 601 | 276 | 480 | 1,019 | 543 |
| 932 | Maintenance of general plant | 25,000 | 4,287 | 3,020 | 1,448 | 0 | 0 | 5,019 | 2,312 | 1,060 | 1,846 | 3,918 | 2,090 |
| TOTAL OPERATION & MAINTENANCE EXPENSES | | 5,928,409 | 3,339,403 | 350,116 | 168,581 | 0 | 0 | 581,929 | 266,984 | 236,651 | 214,680 | 454,393 | 315,673 |

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 | Equivalent Service | |
| (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | |
| OPERATION AND MAINTENANCE | 5,928,409 | 3,339,403 | 350,116 | 168,581 | 0 | 0 | 581,929 | 266,984 | 236,651 | 214,680 | 454,393 | 315,673 |
| DEPRECIATION EXPENSE | 695,259 | 140,769 | 18,992 | 61,467 | 0 | 0 | 31,566 | 29,645 | 0 | 101,016 | 167,549 | 144,255 |
| AMORTIZATION EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TAXES AND TAX EQUIVALENT | 1,030,748 | 197,780 | 114,269 | 88,663 | 0 | 0 | 189,928 | 33,996 | 0 | 103,288 | 155,684 | 147,139 |
| RETURN ON NET INVESTMENT RATE BASE | 1,102,037 | 289,078 | 46,527 | 129,591 | 0 | 0 | 77,332 | 49,691 | 0 | 116,988 | 184,003 | 208,828 |
| TOTAL | 8,756,453 | 3,967,030 | 529,904 | 448,302 | 0 | 0 | 880,755 | 380,316 | 236,651 | 535,972 | 961,629 | 815,895 |

CUSTOMER CLASS DEMAND RATIOS

| <u>CUSTOMER CLASS</u> | <u>BASE COSTS</u> | | | | | <u>EXTRA-CAPACITY MAX DAY DEMAND</u> | | | | | <u>EXTRA-CAPACITY MAX HOUR DEMAND</u> | | | | | |
|--------------------------------|------------------------------|-------------------------------|--------------------|------------------------------------|--|--------------------------------------|--------------------------------|--------------------|------------------------------------|--|---------------------------------------|---------------------------------|--------------------|------------------------------------|--|-------------------------------------|
| | <u>Annual Volume 100 CCF</u> | <u>Average Day Volume Gal</u> | <u>Percent (%)</u> | <u>System Adjusted Percent (%)</u> | <u>Distribution Adjusted Percent (%)</u> | <u>Extra Capacity Ratio</u> | <u>Volume Rate Gal Per Day</u> | <u>Percent (%)</u> | <u>System Adjusted Percent (%)</u> | <u>Distribution Adjusted Percent (%)</u> | <u>Extra Capacity Ratio</u> | <u>Volume Rate Gal Per Hour</u> | <u>Percent (%)</u> | <u>System Adjusted Percent (%)</u> | <u>Distribution Adjusted Percent (%)</u> | <u>Storage Adjusted Percent (%)</u> |
| Residential | 1,164,327 | 318,994 | 52.18% | 52.18% | 52.18% | 2.00 | 637,987 | 46.08% | 46.08% | 46.08% | 4.25 | 56,488 | 39.15% | 39.15% | 39.15% | 39.15% |
| Multifamily Residential | 309,816 | 84,881 | 13.88% | 13.88% | 13.88% | 1.80 | 152,786 | 11.04% | 11.04% | 11.04% | 3.78 | 13,369 | 9.26% | 9.26% | 9.26% | 9.26% |
| Commercial | 476,547 | 130,561 | 21.36% | 21.36% | 21.36% | 1.60 | 208,897 | 15.09% | 15.09% | 15.09% | 3.30 | 17,952 | 12.44% | 12.44% | 12.44% | 12.44% |
| Industrial | 104,678 | 28,679 | 4.69% | 4.69% | 4.69% | 1.00 | 28,679 | 2.07% | 2.07% | 2.07% | 2.15 | 2,569 | 1.78% | 1.78% | 1.78% | 1.78% |
| Public Authority | 153,651 | 42,096 | 6.89% | 6.89% | 6.89% | 1.60 | 67,354 | 4.86% | 4.86% | 4.86% | 3.30 | 5,788 | 4.01% | 4.01% | 4.01% | 4.01% |
| Public Fire Protection | 22,313 | 6,113 | 1.00% | 1.00% | 1.00% | | 288,770 | 20.86% | 20.86% | 20.86% | | 48,128 | 33.35% | 33.35% | 33.35% | 33.35% |
| TOTALS | 2,231,332 | 611,324 | 100% | 100% | 100% | | 1,384,474 | 100% | 100% | 100% | | 144,295 | 100% | 100% | 100% | 100% |

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

Maximum Day Demand = 1,700,914 (CUBIC FEET/DAY) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM DAY EXTRA CAPACITY DEMAND

Maximum Hour Demand = 121,384 (CUBIC FEET/HR) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM HOUR EXTRA CAPACITY DEMAND

1.63 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX DAY

1.86 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX HOUR

CUSTOMER CLASS ALLOCATION FACTORS

NUMBER OF METERS

| Meter size (inches): | NUMBER OF METERS | | | | | | | | | | | | TOTAL | | |
|-------------------------|------------------|--------------|------------|----------|------------|------------|----------|-----------|-----------|-----------|----------|----------|----------|---------------|-------------|
| | 5/8 | 3/4 | 1 | 1-1/4 | 1-1/2 | 2 | 2-1/2 | 3 | 4 | 6 | 8 | 10 | 12 | METERS | PERCENT |
| Residential | 16,538 | 670 | 19 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,229 | 88% |
| Multifamily Residential | 143 | 234 | 171 | 0 | 77 | 21 | 0 | 13 | 3 | 0 | 0 | 0 | 0 | 662 | 3% |
| Commercial | 596 | 363 | 212 | 0 | 159 | 75 | 0 | 32 | 5 | 5 | 0 | 0 | 0 | 1,447 | 7% |
| Industrial | 9 | 11 | 7 | 0 | 16 | 8 | 0 | 0 | 8 | 1 | 0 | 0 | 0 | 60 | 0% |
| Public Authority | 2 | 4 | 17 | 2 | 12 | 11 | 0 | 14 | 7 | 8 | 0 | 0 | 0 | 77 | 0% |
| TOTALS | 17,288 | 1,282 | 426 | 2 | 266 | 115 | 0 | 59 | 23 | 14 | 0 | 0 | 0 | 19,475 | 100% |

EQUIVALENT METERS

| ALLOCATION FACTOR: Meter size (inches): Equiv. meters ratio: | EQUIVALENT METERS | | | | | | | | | | | | TOTAL | | |
|--|-------------------|--------------|--------------|----------|--------------|------------|----------|------------|------------|------------|----------|----------|----------|---------------|-------------|
| | 5/8 | 3/4 | 1 | 1-1/4 | 1-1/2 | 2 | 2-1/2 | 3 | 4 | 6 | 8 | 10 | 12 | EQUIV. METERS | PERCENT |
| Residential | 16,538 | 670 | 48 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,266 | 72% |
| Multifamily Residential | 143 | 234 | 428 | 0 | 385 | 168 | 0 | 195 | 75 | 0 | 0 | 0 | 0 | 1,628 | 7% |
| Commercial | 596 | 363 | 530 | 0 | 795 | 600 | 0 | 480 | 125 | 250 | 0 | 0 | 0 | 3,739 | 16% |
| Industrial | 9 | 11 | 18 | 0 | 80 | 64 | 0 | 0 | 200 | 50 | 0 | 0 | 0 | 432 | 2% |
| Public Authority | 2 | 4 | 43 | 7 | 60 | 88 | 0 | 210 | 175 | 400 | 0 | 0 | 0 | 989 | 4% |
| TOTALS | 17,288 | 1,282 | 1,065 | 7 | 1,330 | 920 | 0 | 885 | 575 | 700 | 0 | 0 | 0 | 24,052 | 100% |

EQUIVALENT SERVICES

| ALLOCATION FACTOR: Meter size (inches): Equiv. services ratio: | EQUIVALENT SERVICES | | | | | | | | | | | | TOTAL | | |
|--|---------------------|--------------|------------|----------|------------|------------|----------|------------|------------|-----------|----------|----------|----------|-----------------|-------------|
| | 5/8 | 3/4 | 1 | 1-1/4 | 1-1/2 | 2 | 2-1/2 | 3 | 4 | 6 | 8 | 10 | 12 | EQUIV. SERVICES | PERCENT |
| Residential | 16,538 | 670 | 25 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,237 | 84% |
| Multifamily Residential | 143 | 234 | 222 | 0 | 154 | 63 | 0 | 52 | 15 | 0 | 0 | 0 | 0 | 883 | 4% |
| Commercial | 596 | 363 | 276 | 0 | 318 | 225 | 0 | 128 | 25 | 30 | 0 | 0 | 0 | 1,961 | 10% |
| Industrial | 9 | 11 | 9 | 0 | 32 | 24 | 0 | 0 | 40 | 6 | 0 | 0 | 0 | 131 | 1% |
| Public Authority | 2 | 4 | 22 | 3 | 24 | 33 | 0 | 56 | 35 | 48 | 0 | 0 | 0 | 228 | 1% |
| TOTALS | 17,288 | 1,282 | 554 | 3 | 532 | 345 | 0 | 236 | 115 | 84 | 0 | 0 | 0 | 20,439 | 100% |

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

| | TOTAL | Residential | Multifamily Residential | Commercial | Industrial | Public Authority | Public Fire Protection |
|----------------------------------|--------------|--------------------|------------------------------------|-------------------|-------------------|-----------------------------|-----------------------------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) |
| BASE COSTS: | | | | | | | |
| SYSTEM | 3,967,030 | 2,070,028 | 550,814 | 847,241 | 186,104 | 273,172 | 39,670 |
| DISTRIBUTION | 529,904 | 276,508 | 73,576 | 113,172 | 24,859 | 36,490 | 5,299 |
| EXTRA-CAPACITY COSTS: | | | | | | | |
| MAXIMUM-DAY SYSTEM | 448,302 | 206,585 | 49,473 | 67,642 | 9,286 | 21,810 | 93,506 |
| MAXIMUM-DAY DISTRIBUTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MAXIMUM-HOUR SYSTEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MAXIMUM-HOUR DISTRIBUTION | 880,755 | 344,797 | 81,601 | 109,577 | 15,682 | 35,330 | 293,768 |
| MAXIMUM-HOUR STORAGE | 380,316 | 148,886 | 35,236 | 47,316 | 6,771 | 15,256 | 126,851 |
| CUSTOMER COSTS: | | | | | | | |
| BILLING | 236,651 | 209,358 | 8,044 | 17,583 | 729 | 936 | |
| EQUIVALENT METERS | 535,972 | 384,736 | 36,266 | 83,318 | 9,615 | 22,036 | |
| EQUIVALENT SERVICES | 961,629 | 810,957 | 41,558 | 92,243 | 6,168 | 10,703 | |
| FIRE PROTECTION | 815,895 | | | | | | 815,895 |
| TOTAL COST | 8,756,453 | 4,451,854 | 876,569 | 1,378,092 | 259,216 | 415,733 | 1,374,989 |
| LESS OTHER REVENUE | 401,324 | 203,249 | 40,020 | 62,917 | 11,834 | 18,980 | 64,324 |
| COST OF SERVICE | 8,355,129 | 4,248,605 | 836,549 | 1,315,176 | 247,381 | 396,753 | 1,310,665 |
| REVENUE AT PRESENT RATES | 7,732,643 | 3,935,625 | 761,846 | 1,213,668 | 239,849 | 357,764 | 1,223,891 |
| DIFFERENCE | 622,486 | 312,980 | 74,703 | 101,508 | 7,532 | 38,989 | 86,774 |
| PERCENT INCREASE/DECREASE | 8% | 8% | 10% | 8% | 3% | 11% | 7% |

WEST ALLIS MUNICIPAL WATER UTILITY
Comparison of Revenue
at
Present Rates, Cost of Service and Proposed Rates

| <u>Customer Class</u> | <u>Revenue at Present Rates</u> | <u>Cost of Service</u> | | <u>Proposed Rates</u> | | |
|-------------------------|---------------------------------|---------------------------|------------------------------------|---------------------------|------------------------------------|-----------------------------------|
| | | <u>Revenue Required</u> | <u>Increase over Present Rates</u> | <u>Revenue</u> | <u>Increase over Present Rates</u> | <u>Percent of Cost of Service</u> |
| Residential | \$3,935,625 | \$4,248,605 | 8% | \$4,262,328 | 8% | 100% |
| Multifamily Residential | \$761,846 | \$836,549 | 10% | \$824,101 | 8% | 99% |
| Commercial | \$1,213,668 | \$1,315,176 | 8% | \$1,312,914 | 8% | 100% |
| Industrial | \$239,849 | \$247,381 | 3% | \$259,768 | 8% | 105% |
| Public Authority | \$357,764 | \$396,753 | 11% | \$386,034 | 8% | 97% |
| Public Fire Protection | <u>\$1,223,891</u> | <u>\$1,310,665</u> | 7% | <u>\$1,311,210</u> | 7% | 100% |
| Total | <u><u>\$7,732,643</u></u> | <u><u>\$8,355,129</u></u> | <u><u>8%</u></u> | <u><u>\$8,356,354</u></u> | <u><u>8%</u></u> | <u><u>100%</u></u> |

WEST ALLIS MUNICIPAL WATER UTILITY

Proposed Water Rates and Rules

Purchased Water Adjustment Clause - - - PWAC-1

West Allis Municipal Water Utility (utility) may apply a purchased water adjustment clause (PWAC) to its water rates set forth under Schedules F-1 and Mg-1 to reflect an increase or decrease in the rates charged by its wholesale water supplier, Milwaukee Water Works (wholesaler), **and only when the wholesaler's rates are adjusted through the conventional rate case process.** Adjustments under this PWAC that result in an increase cannot be effective until the utility has filed the PWAC application with the Public Service Commission (Commission), the utility provides notice to its customers of such change in rates, and the Commission holds a public hearing and authorizes the rate adjustments in a Final Decision.

Calculation of Adjusted Quarterly Public Fire Protection Service Charges - - - F-1

$$C = Z \times (1 + P)$$

$$P = (N - B) / T$$

Where: C = Adjusted Schedule F-1 quarterly retail service charges rounded up to the nearest cent.

Z = Current Schedule F-1 direct quarterly retail service charges.

P = Adjustment factor rounded up to the nearest hundredth of a percent, which is four places past the decimal point (.XXXX).

N = New quarterly wholesale public fire protection service charge.

B = Current quarterly wholesale public fire protection service charge.

T = Total quarterly dollar revenue from quarterly retail service charges per rate Schedule F-1.

Calculation of Adjusted Quarterly Service Charges - - - Mg-1

$$C = Z \times (1 + P)$$

$$P = (N - B) / T$$

Where: C = Adjusted Schedule Mg-1 quarterly retail service charges rounded up to the nearest cent.

Z = Current Schedule Mg-1 quarterly retail service charges.

P = Adjustment factor rounded up to the nearest hundredth of a percent, which is four places past the decimal point (.XXXX).

N = New quarterly wholesale service charge.

B = Current quarterly wholesale service charge.

T = Total quarterly dollar revenue from quarterly retail service charges per Schedule Mg-1.

Commodity Charge Adjustment - - - Mg-1

$$AVBR = VBR + A$$

Where: AVBR = Adjusted Schedule Mg-1 retail volume block rates rounded up to the nearest cent.

VBR = Current Schedule Mg-1 retail volume block rates.

A = New wholesale volume charge less the current wholesale volume charge.

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.

Quarterly Public Fire Protection Service Charges:

| | | | |
|----------------------|-------|---------------------|--------|
| 5/8 -inch meter - \$ | 16.05 | 3 -inch meter - \$ | 63.00 |
| 3/4 -inch meter - \$ | 16.05 | 4 -inch meter - \$ | 78.00 |
| 1 -inch meter - \$ | 21.00 | 6 -inch meter - \$ | 96.00 |
| 1¼ -inch meter - \$ | 27.00 | 8 -inch meter - \$ | 114.00 |
| 1½ -inch meter - \$ | 31.50 | 10 -inch meter - \$ | 126.00 |
| 2 -inch meter - \$ | 48.00 | 12 -inch meter - \$ | 144.00 |

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. 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.

Quarterly Private Fire Protection Service Demand Charges:

| | |
|-------------------------------------|--------|
| 2 - inch or smaller connection - \$ | 10.00 |
| 3 - inch connection - \$ | 15.00 |
| 4 - inch connection - \$ | 27.00 |
| 6 - inch connection - \$ | 54.00 |
| 8 - inch connection - \$ | 84.00 |
| 10 - inch connection - \$ | 126.00 |
| 12 - inch connection - \$ | 168.00 |
| 14 - inch connection - \$ | 213.00 |
| 16 - inch connection - \$ | 255.00 |

Billing: Same as Schedule Mg-1.

General Service - Metered - - - Mg-1

Quarterly Service Charges:

| | | | |
|------------------------|-------|---------------------|----------|
| 5/8 -inch meter - \$ | 21.00 | 3 -inch meter - \$ | 135.00 |
| 3/4 -inch meter - \$ | 21.00 | 4 -inch meter - \$ | 204.00 |
| 1 -inch meter - \$ | 33.00 | 6 -inch meter - \$ | 354.00 |
| 1 1/4 -inch meter - \$ | 45.00 | 8 -inch meter - \$ | 534.00 |
| 1 1/2 -inch meter - \$ | 57.00 | 10 -inch meter - \$ | 768.00 |
| 2 -inch meter - \$ | 84.00 | 12 -inch meter - \$ | 1,002.00 |

Plus Volume Charges:

| | | |
|-------|---------|---|
| First | 10,000 | cubic feet used quarterly - \$2.42 per 100 cubic feet |
| Next | 490,000 | cubic feet used quarterly - \$2.32 per 100 cubic feet |

| | | |
|------|-----------|---|
| Next | 500,000 | cubic feet used quarterly - \$2.18 per 100 cubic feet |
| Over | 1,000,000 | cubic feet used quarterly - \$2.08 per 100 cubic feet |

Billing: Bills for water service are rendered quarterly 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.

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 \$50.00 and a quarterly rental fee for the use of this additional meter.

Quarterly Additional Meter Rental Charges:

| | |
|------------------------|-------|
| 5/8 -inch meter - \$ | 10.50 |
| 3/4 -inch meter - \$ | 10.50 |
| 1 -inch meter - \$ | 16.50 |
| 1 1/4 -inch meter - \$ | 22.50 |
| 1 1/2 -inch meter - \$ | 28.50 |
| 2 -inch meter - \$ | 42.00 |

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 3/4-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 3/4-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.

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.

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: | \$40.00 |
| After normal business hours: | \$50.00 |

Billing: Same as Schedule Mg-1.

Public Service - - - Mpa-1

Metered Service

Water used by the City of West Allis 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 17,000 cubic feet (or approximately 12,716 gallons) cubic feet of water per quarter under Schedule Mg-1, including the service charge for a 5/8-inch meter. If the utility determines that actual usage exceeds 17,000 cubic feet (or approximately 12,716 gallons) cubic feet of water per quarter, 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, Schedule Ug-1, or Schedule Am-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 \$50.00 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: | \$50.00 |
| After normal business hours: | \$60.00 |

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.

Emergency Hose Service - - - EHS-1

Charges for labor, materials, and equipment required to furnish such emergency service to a premise will be billed separately by the Municipal Water Utility by using the following schedule:

For a hose line one and one half (1 ½) inches in diameter or greater, a fee of forty dollars (\$40.00) for an initial three (3) calendar day period or fraction thereof. Ten dollars (\$10.00) per calendar day or fraction thereof following the initial three (3) calendar day period if the failure or break is in the portion of the water service line which the property owner is required to maintain and repair.

For a hose line less than one and one half (1 ½) inches in diameter, a fee of twenty dollars (\$20.00) for an initial three (3) calendar day period or fraction thereof. Five dollars (\$5.00) per calendar day or fraction thereof following the initial three (3) calendar day period if the failure or break is in the portion of the water service line which the property owner is required to maintain and repair.

The above charges will be waived if the failure or break in the water service is caused by an employee or authorized agent of the Municipal Water Utility or is located on the Municipal Water Utility's portion of the service line.

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 Utility Supplemental Customer 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.

Charges for Water Wasted Due to Leaks

Pursuant to Wis. Admin. Code § 185.35(6) and the utility's policy, when a leak unknown to the customer is found in an appliance or the plumbing, the utility shall estimate the water wasted due to the leak and bill for this excess usage at a reduced rate not less than the utility's cost. If this provision applies, the utility shall bill the customer for excess usage at the lowest volumetric rate in the utility's Schedule Mg-1, General Service – Metered. No additional adjustments shall be made for water supplied after the customer has been notified of the leak and has had an opportunity to correct the condition.

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.

WEST ALLIS MUNICIPAL WATER UTILITY
Customer Water Bill Comparison at Present and Proposed Rates

| Customer Type | Meter Size | Volume (100 Cubic Feet) | 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 | 5/8" | 9 | \$ 39.30 | \$ 42.78 | 9% | \$ 54.27 | \$ 58.83 | 8% |
| Average Residential | 5/8" | 17 | \$ 57.38 | \$ 62.14 | 8% | \$ 72.35 | \$ 78.19 | 8% |
| Large Residential | 5/8" | 25 | \$ 75.46 | \$ 81.50 | 8% | \$ 90.43 | \$ 97.55 | 8% |
| Large Residential | 5/8" | 50 | \$ 131.96 | \$ 142.00 | 8% | \$ 146.93 | \$ 158.05 | 8% |
| Large Residential | 5/8" | 100 | \$ 244.96 | \$ 263.00 | 7% | \$ 259.93 | \$ 279.05 | 7% |
| Multifamily Residential | 3" | 450 | \$ 1,089.09 | \$ 1,189.00 | 9% | \$ 1,148.95 | \$ 1,252.00 | 9% |
| Multifamily Residential | 3" | 900 | \$ 2,056.59 | \$ 2,233.00 | 9% | \$ 2,116.45 | \$ 2,296.00 | 8% |
| Multifamily Residential | 3" | 1,350 | \$ 3,024.09 | \$ 3,277.00 | 8% | \$ 3,083.95 | \$ 3,340.00 | 8% |
| Multifamily Residential | 3" | 1,800 | \$ 3,991.59 | \$ 4,321.00 | 8% | \$ 4,051.45 | \$ 4,384.00 | 8% |
| Commercial | 1" | 7,000 | \$ 14,990.39 | \$ 16,003.00 | 7% | \$ 15,009.85 | \$ 16,024.00 | 7% |
| Commercial | 1 1/4" | 23,000 | \$ 47,819.87 | \$ 49,595.00 | 4% | \$ 47,845.31 | \$ 49,622.00 | 4% |
| Commercial | 2" | 3,000 | \$ 6,532.10 | \$ 7,054.00 | 8% | \$ 6,577.01 | \$ 7,102.00 | 8% |
| Commercial | 4" | 17,000 | \$ 35,705.33 | \$ 37,274.00 | 4% | \$ 35,780.17 | \$ 37,352.00 | 4% |
| Industrial | 4" | 1,500 | \$ 3,400.33 | \$ 3,694.00 | 9% | \$ 3,475.17 | \$ 3,772.00 | 9% |
| Industrial | 4" | 3,000 | \$ 6,625.33 | \$ 7,174.00 | 8% | \$ 6,700.17 | \$ 7,252.00 | 8% |
| Industrial | 4" | 4,500 | \$ 9,850.33 | \$ 10,654.00 | 8% | \$ 9,925.17 | \$ 10,732.00 | 8% |
| Industrial | 4" | 6,000 | \$ 13,025.33 | \$ 13,994.00 | 7% | \$ 13,100.17 | \$ 14,072.00 | 7% |
| Public Authority | 3/4" | 300 | \$ 674.96 | \$ 727.00 | 8% | \$ 689.93 | \$ 743.05 | 8% |
| Public Authority | 1 1/2" | 350 | \$ 810.90 | \$ 879.00 | 8% | \$ 840.84 | \$ 910.50 | 8% |
| Public Authority | 6" | 1,000 | \$ 2,439.12 | \$ 2,684.00 | 10% | \$ 2,528.93 | \$ 2,780.00 | 10% |
| Public Authority | 6" | 6,000 | \$ 13,139.12 | \$ 14,144.00 | 8% | \$ 13,228.93 | \$ 14,240.00 | 8% |

WEST ALLIS MUNICIPAL WATER UTILITY

Schedule of Water Depreciation Rates
Effective January 1, 2017

| Account Number | Account Title | Depreciation Rate |
|-------------------|--|----------------------|
| | SOURCE OF SUPPLY PLANT | |
| 311 | Structures and Improvements | 3.2% |
| | PUMPING PLANT | |
| 321 | Structures and Improvements | 3.2% |
| 325 | Electric Pumping Equipment | 4.4% |
| | WATER TREATMENT EQUIPMENT | |
| 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% |
| | GENERAL PLANT | |
| 390 | Structures and Improvements | 2.9% |
| 391 | Office Furniture and Equipment | 5.8% |
| 391.1 | Computer Equipment | 26.7% |
| 392 | Transportation Equipment | UNIT |
| 394 | Tools, Shop and Garage Equipment | 5.8% |
| 396 | Power Operated Equipment | UNIT |
| 397 | Communication Equipment | 15.0% |
| 398 | Miscellaneous Equipment | 5.8% |