



Public Service Commission of Wisconsin

Rebecca Cameron Valcq, Chairperson
Tyler Huebner, Commissioner
Summer Strand, Commissioner

4822 Madison Yards Way
P.O. Box 7854
Madison, WI 53707-7854

September 18, 2023

Ms. Marie Keyser, Assistant Finance Director
Mequon Municipal Water Utility
11333 N. Cedarburg Road
Mequon, WI 53092

Re: Application of the City of Mequon, Ozaukee County,
Wisconsin, as a Water Public Utility, for Authority to
Adjust Water Rates Through its Purchased Water
Adjustment Clause

3595-PW-104

Dear Ms. Keyser:

On September 11, 2023, the Public Service Commission (Commission) issued its Final Decision in Docket 3595-PW-104 for new rates for the Mequon Municipal Water Utility (Utility). On September 18, 2023, the Utility filed a letter stating it has adopted the rates authorized by the Commission and will make the rates effective for service beginning December 18, 2023.

The Commission has placed the new rates and rules on file as Amendment 16. Attached is a copy of the Amendment for the Utility's records. Also attached is a sheet that indicates the schedules that have been amended, deleted, or have remained unchanged as authorized by the Commission's Final Decision. Please refer to this sheet in updating the Utility's copy of the rate file.

The Utility must make the current rates and rules available for public inspection and review at the Utility's office(s) and all bill payment stations pursuant to Wis. Admin. Code § PSC 185.22. The Utility should mark the old rates and rules as superseded and keep them in a separate file. Pursuant to Wis. Admin. Code § PSC 185.19, the Utility must keep a file of its previous rates and rules permanently.

If you have any questions, please contact me.

Sincerely,

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

AJH:DL:01966482

Docket 3595-PW-104

Mequon Municipal Water Utility

Water Rate File Changes

Amended

PWAC-1

F-1

Mg-1

Mequon Municipal Water Utility

Purchased Water Adjustment Clause

Mequon 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(s), Milwaukee Water Works (wholesaler) and North Shore Water Commission (wholesaler). 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 a change in rates, and the Commission holds a public hearing and authorizes the rate adjustments in a Final Decision.

The utility must request Commission authorization for a PWAC rate change within 90 days of a change in its wholesale water supplier’s rates or forfeit all adjustment to its rates under the PWAC until the time of its next rate case. Additionally, the utility shall not file for a PWAC following an adjustment under Wis. Stat. § 196.193 from wholesaler, Milwaukee Water Works.

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

$$C = Z \times (1 + P_1 + P_2)$$

$$P_1 = (N_1 - B_1) / T$$

$$P_2 = (N_2 - B_2) / T$$

- Where:
- C = Adjusted Schedule F-1 quarterly retail service charges rounded up to the nearest cent.
 - Z = Current Schedule F-1 quarterly retail service charges.
 - P₁ = Adjustment factor (Milwaukee Water Works) rounded up to the nearest hundredth of a percent, which is four places past the decimal point (.XXXX).
 - N₁ = New Milwaukee Water Works quarterly wholesale public fire protection service charge.
 - B₁ = Current Milwaukee Water Works quarterly wholesale public fire protection service charge.
 - T = Total quarterly dollar revenue from quarterly retail service charges per Schedule F-1.
 - P₂ = Adjustment factor (North Shore Water Commission) rounded up to the nearest hundredth of a percent, which is four places past the decimal point (.XXXX).

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Purchased Water Adjustment Clause

N_2 = New North Shore Water Commission quarterly wholesale public fire protection service charge.

B_2 = Current North Shore Water Commission quarterly wholesale public fire protection service charge.

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

$$C = Z \times (1 + P_1 + P_2)$$

$$P_1 = (N_1 - B_1) / T$$

$$P_2 = (N_2 - B_2) / T$$

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_1 = Adjustment factor (Milwaukee Water Works) rounded up to the nearest hundredth of a percent, which is four places past the decimal point (.XXXX).

N_1 = New Milwaukee Water Works quarterly wholesale service charge.

B_1 = Current Milwaukee Water Works quarterly wholesale service charge.

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

P_2 = Adjustment factor (North Shore Water Commission) rounded up to the nearest hundredth of a percent, which is four places past the decimal point (.XXXX).

N_2 = New North Shore Water Commission quarterly wholesale service charge.

B_2 = Current North Shore Water Commission quarterly wholesale service charge.

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Purchased Water Adjustment Clause

Commodity Charge Adjustment - - - Mg-1

$$AVBR = VBR + A_1 + A_2$$

$$A_1 = (N_1 - B_1) \times MWW / (MWW + NSWC)$$

$$A_2 = (N_2 - B_2) \times NSWC / (MWW + NSWC)$$

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.

A₁ = New Milwaukee Water Works wholesale volume rate less the current Milwaukee Water Works wholesale volume rate. (If converting from CCF to Mgal, multiply the CCF by 1.3369.)

N₁ = New Milwaukee Water Works wholesale volume rate.

B₁ = Current Milwaukee Water Works wholesale volume rate.

MWW = Most recent 12-month volume of purchased water from Milwaukee Water Works.

NSWC = Most recent 12-month volume of purchased water from North Shore Water Commission.

A₂ = New North Shore Water Commission wholesale volume rate less the current North Shore Water Commission wholesale volume rate. (If converting from CCF to Mgal, multiply the CCF by 1.3369.)

N₂ = New North Shore Water Commission wholesale volume rate.

B₂ = Current North Shore Water Commission wholesale volume rate.

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Public Fire Protection Service

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

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:	\$ 30.15	3 - inch meter:	\$ 452.24
3/4 - inch meter:	\$ 45.26	4 - inch meter:	\$ 753.74
1 - inch meter:	\$ 75.52	6 - inch meter:	\$ 1,507.47
1 1/4 - inch meter:	\$ 111.53	8 - inch meter:	\$ 2,411.66
1 1/2 - inch meter:	\$ 150.76	10 - inch meter:	\$ 3,617.65
2 - inch meter:	\$ 241.37	12 - inch meter:	\$ 4,823.33

Customers who are provided service under Schedules Mg-1, Ug-1, or Sg-1 shall also be subject to the charges in this schedule according to the size of their primary meter.

Billing: Same as Schedule Mg-1.

Mequon Municipal Water Utility

General Service - Metered

Quarterly Service Charges:

5/8 - inch meter:	\$ 31.32	3 - inch meter:	\$ 274.39
3/4 - inch meter:	\$ 41.16	4 - inch meter:	\$ 393.71
1 - inch meter:	\$ 64.72	6 - inch meter:	\$ 629.33
1 1/4 - inch meter:	\$ 89.49	8 - inch meter:	\$ 981.26
1 1/2 - inch meter:	\$ 119.31	10 - inch meter:	\$ 1,470.41
2 - inch meter:	\$ 178.95	12 - inch meter:	\$ 1,959.55

Plus Volume Charges:

First	150,000	gallons used each quarter:	\$5.29 per 1,000 gallons
Next	350,000	gallons used each quarter:	\$4.99 per 1,000 gallons
Over	500,000	gallons used each quarter:	\$4.49 per 1,000 gallons

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 will be applied to the total unpaid balance for utility service, including unpaid late payment charges. The 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: Volumetric meter readings will 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 shall not be combined for billing. This requirement does not preclude the utility from combining readings when metering configurations support such an approach. Meter readings from individually metered separate service laterals shall not be combined for billing purposes.