

May 23, 2001

To the Honorable
the Common Council

Subject: Resolution relative to review of Milwaukee Water Works rates
Dear Council Members:

The Milwaukee Water Works was granted a water rate adjustment in September 1999. That adjustment however, at the utility's request, was sufficient only to provide the requisite funding for the year 2000. A 'cost of living' adjustment has recently been granted by the Public Service Commission of Wisconsin (PSC) but has not yet been implemented.

It is necessary that a comprehensive rate review be performed by the PSC to establish rates based upon the cost of service. In addition, the recently added suburban wholesale accounts will be reviewed by the PSC for the first time and demand and fire protection factors established.

The attached resolution grants authority to the Water Works to submit an application for rate adjustment to the PSC, and any resultant order to be approved by the Common Council. Your favorable consideration of this resolution is respectfully requested.

Sincerely,

Carrie Lewis, Water Works Superintendent

Mariano Schifalacqua, Commissioner
Department of Public Works