



# Public Service Commission of Wisconsin

Ellen Nowak, Chairperson  
Phil Montgomery, Commissioner  
Mike Huebsch, Commissioner

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

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January 22, 2016

Sent via ERF System

Ms. Carrie Lewis, Superintendent  
Milwaukee Water Works  
841 N. Broadway - Room 409  
Milwaukee, WI 53202

Re: Application of Milwaukee Water Works, Milwaukee County, Wisconsin, for Authority to Increase Water Rates 3720-WR-108

Dear Ms. Lewis:

Thank you for the status update on the main replacement efforts undertaken by Milwaukee Water Works (MWW) in 2015. In your letter you indicated that areas selected by MWW for water main replacement activities in 2016 included five miles of main containing lead services where MWW intended to replace only the main without coordinating replacement of the lead services. The Commission is committed to ensuring that all customers have access to clean, safe drinking water and I am concerned that MWW has apparently not proactively coordinated with its customers and the City of Milwaukee to ensure replacement of the lead services happens during the planned main replacements.

As you are likely aware, the need to replace lead services that were primarily installed in the early 1900s is not a new issue in Wisconsin. In fact, over the last 20 years, many communities have implemented lead service replacement programs and coordinated these efforts with planned infrastructure repairs. I strongly encourage MWW to do the same as it continues to replace its aging mains.

Considering that it is only January, I am also concerned about MWW's statement that it will not comply with the Commission's order requiring it replace 15 miles of main in 2016. MWW's distribution system consists of more than 1,900 miles of water main, some of which dates back to the 1870s. In both 2013 and 2014, the most recent data that has been filed with the Commission, MWW had the second highest nonrevenue water per mile of main of all Class AB utilities in the state. It also reportedly had a significant number of main breaks which result in costly emergency repairs. Even if 15 miles of main are replaced each year, it still would take more than 125 years for a full system replacement. The need to ensure MWW has safe, reliable mains and other infrastructure to meet the water needs of both Wisconsin businesses and residential customers has long been communicated to MWW by both its wholesale customers and Commission staff.

Ms. Carrie Lewis  
Docket 3720-WR-108  
Page 2

Ultimately, the decision of which mains to replace to meet the 15 mile requirement in 2016 must be made by MWW in coordination with its customers and the City of Milwaukee. If MWW is unable to meet this requirement, it should submit a request to the Commission seeking a modification of its order. This request should include a detailed plan for ensuring a sustainable main replacement program consistent with the Commission's order in its last rate case.

Feel free to contact me if I can be of any further assistance in helping MWW address the multiple issues it faces in providing safe, reliable water service.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Stone". The signature is written in a cursive, flowing style.

Jeff Stone  
Administrator  
Division of Water, Telecommunications & Consumer Affairs

JAS:pc DL:01284508