
Milwaukee Water Works Rate Case Application

September 28, 2022

Public Works Committee

Common Council File #220815

Rate Adjustment Application Update

- February – Application submitted
- April through July – PSC Staff review, audit, and data requests
- September – PSC Staff issued the proposed revenue requirement
 - MWW agreed
 - 4.8% rate of return (2.61% requested)(Current benchmark is 6.0%)
 - 14.2% overall increase in rates (13.50% requested)
 - Revenue increase of approximately \$13M (\$22M total operating income)
 - Cost of Service Study and Rate Design submitted for review

Rate Adjustment Application – Next Steps

- PSC will prepare the schedule
 - TBD - Party Hearing
 - Intervenors: Wholesale Customers and MRMC Water Service, Inc.
 - PSC Staff and Intervenors are reviewing COSS and Rate Design
 - Party Hearing with pre-filed and live testimony may not be necessary
 - Alternatives: Party briefs or Party comments in response to PSC Staff memo
 - October/November - Public Hearing hosted by PSC
 - Public Hearing will be held regardless of whether a live Party Hearing is held.
 - Late 2022 – Anticipated final determination issued by PSC
 - Early 2023 – Anticipated timing of PSC rate adjustment

Revenue Requirement Estimates - 2022

Category	Utility Proposal	PSC Staff Proposal
O&M Expenses	\$57,058,650	\$52,665,698
Depreciation	\$18,904,638	\$18,904,638
Taxes & PILOT	\$14,350,000	\$14,350,000
Total	\$90,313,288	\$85,920,336
Net Operating Income	\$12,079,759	\$22,215,649
Net Investment Rate Base	\$462,826,027	\$462,826,027
Rate of Return on NIRB	2.61%	4.80%

Water Revenue Estimates - 2022

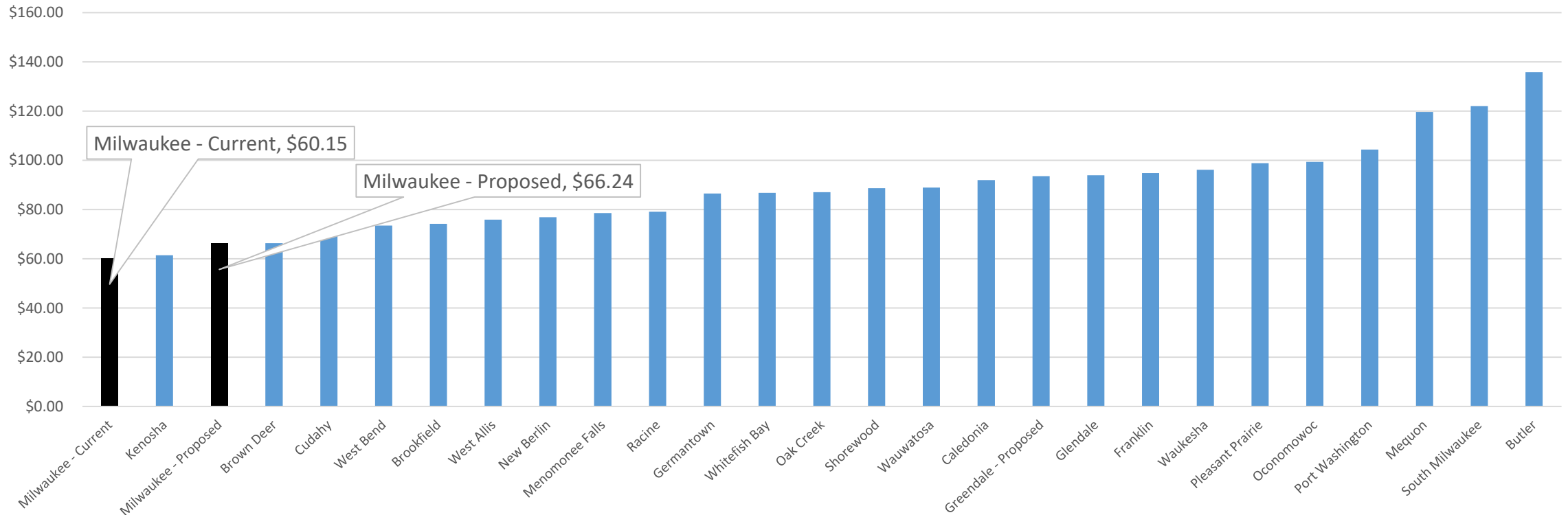
	Utility Proposal	PSC Staff Proposal	Proposed Rate Level
Retail	\$70,378,348	\$74,127,827	\$87,027,692
Public Fire Protection	\$8,495,126	\$8,900,223	\$8,034,457
Subtotal	\$78,873,474	\$83,028,050	\$95,062,149
Wholesale	\$11,794,516	\$12,208,866	\$13,073,836
Total	\$90,667,990	\$95,236,916	\$108,135,985

Increase \$12,899,070, +14.2% Utility Est.

Local Comparison of Rates

Average Quarterly Single Family Residential Bill – Southeast Wisconsin

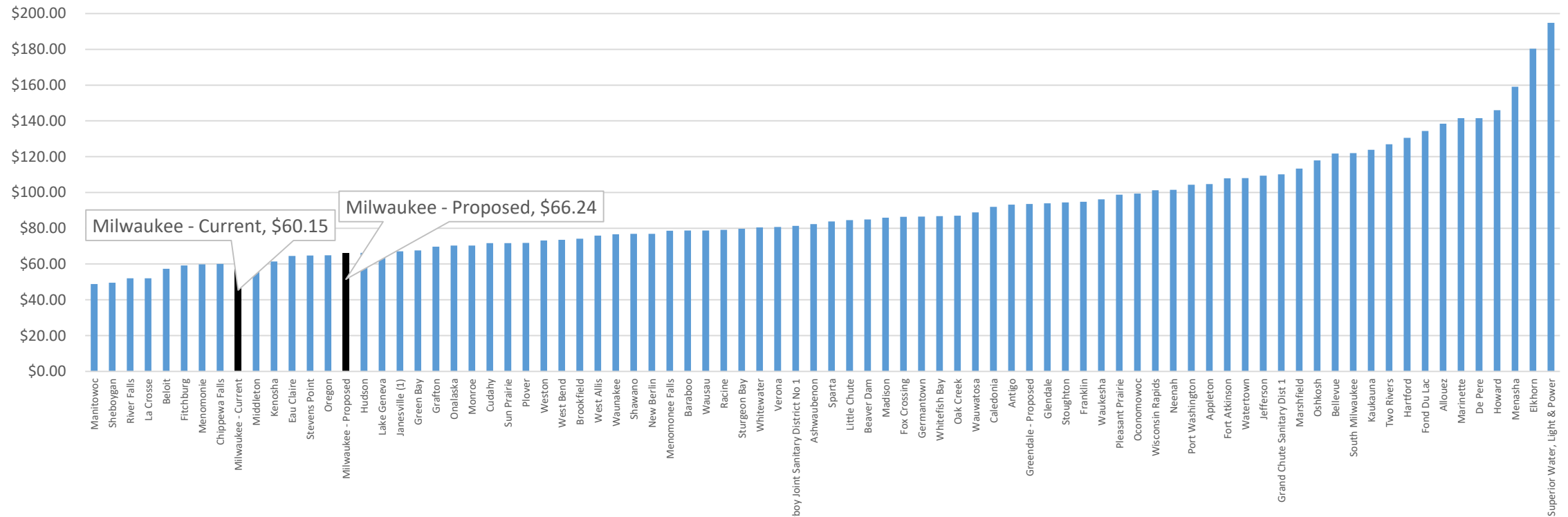
15 CCF with Public Fire Protection



Regional Comparison of Rates

Average Quarterly Single Family Residential Bill – Statewide Class AB Utilities

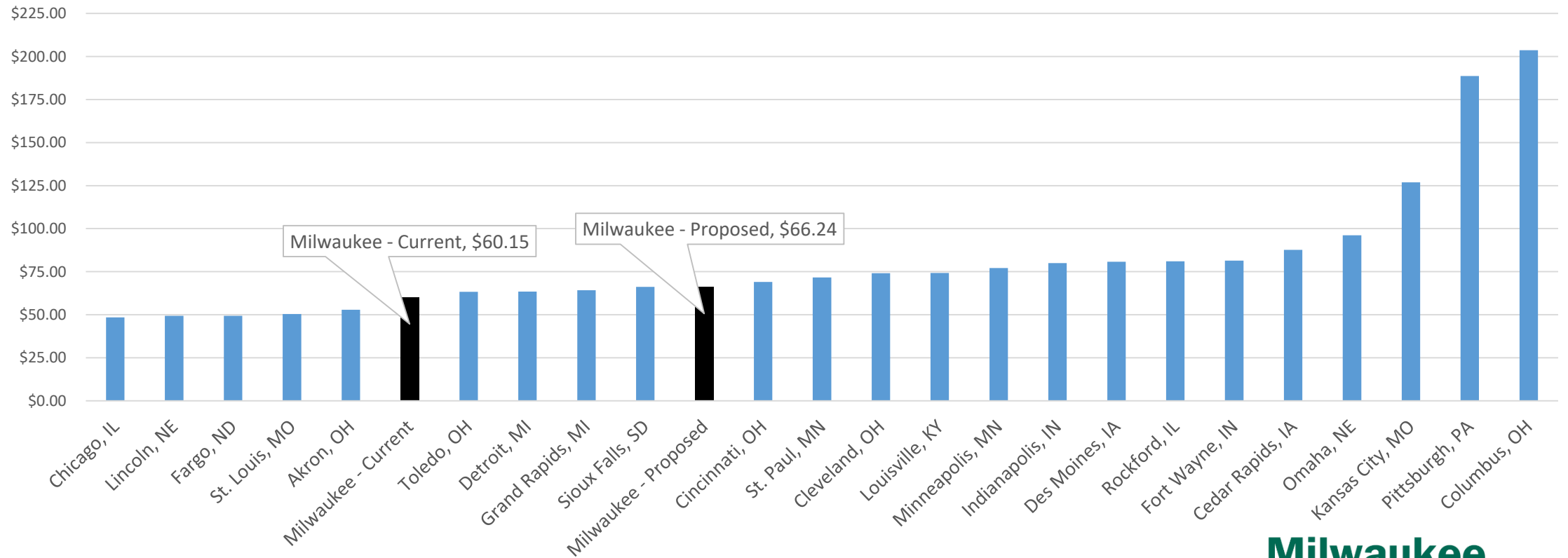
15 CCF with Public Fire Protection



National Comparison of Rates

Average Quarterly Single Family Residential Bill – Peer Cities

15 CCF



Thank you
