

Proposed Rate Structure
Revenue at Present Rates, Cost of Service and Proposed Rates

Rate of Return: Retail 4.5%, Wholesale 5.5%

(All dollars in millions)

- 1 First 5,000 Ccf
2 Next 15,000 Ccf
3 Above 20,000 Ccf

	Revenue at Present Rates	Cost of Service		Proposed Rates		
		Revenue Required	Increase Over Present Rates	Revenue	Increase Over Present Rates	Percent of Cost of Service
General Service						
Urban Residential	\$ 30.2	\$ 33.1	10%	\$ 32.8	9%	99%
Urban Commercial	\$ 16.6	\$ 17.7	7%	\$ 18.5	12%	105%
Urban Industrial	\$ 5.3	\$ 6.5	23%	\$ 5.9	12%	91%
Urban Public Authority	\$ 3.6	\$ 4.5	25%	\$ 4.0	12%	89%
Urban Total	\$ 55.7	\$ 61.9	11%	\$ 61	10%	99%
Public Fire Protection - Retail						
Urban - Milwaukee	\$ 5.3	\$ 6.9	30%	\$ 5.8	10%	85%
Summary: General Service and Public Fire Protection						
Retail						
Urban - Milwaukee	\$ 61.0	\$ 68.8	13%	\$ 67.1	10%	98%
Suburban - Others	\$ 6.7	\$ 6.0	-11%	\$ 7.4	10%	124%
Suburban - West Milwaukee	\$ 0.7	\$ 0.7	-1%	\$ 0.8	9%	110%
Retail Total	\$ 68.5	\$ 75.5	10%	\$ 75.3	10%	100%
Wholesale						
Brown Deer	\$ 0.7	\$ 0.8	30%	\$ 0.8	28%	99%
Butler	\$ 0.2	\$ 0.2	25%	\$ 0.2	24%	99%
Greendale	\$ 0.6	\$ 0.9	53%	\$ 0.9	52%	99%
Menomonee Falls	\$ 1.4	\$ 1.8	28%	\$ 1.8	27%	99%
Mequon	\$ 0.5	\$ 0.6	30%	\$ 0.6	29%	99%
New Berlin	\$ 1.2	\$ 1.6	28%	\$ 1.5	27%	99%
Shorewood	\$ 0.7	\$ 0.9	23%	\$ 0.9	22%	99%
Wauwatosa	\$ 2.1	\$ 2.9	34%	\$ 2.8	32%	99%
West Allis	\$ 2.4	\$ 3.1	28%	\$ 3.1	27%	99%
County Institutions	\$ 0.5	\$ 0.6	11%	\$ 0.6	10%	99%
Wholesale Total	\$ 10.3	\$ 13.4	30%	\$ 13.2	28%	99%
Total System	<u>\$ 78.8</u>	<u>\$ 88.8</u>	<u>13%</u>	<u>\$ 88.6</u>	<u>12%</u>	<u>100%</u>

Estimated Rate Adjustment Impacts to Customers

1/23/2014

	Ccf/Qtr	Current Charges	First step increase	Second step increase	Quarterly charges with full increase
Residential: One family	15	\$ 41.09	\$ 1.20	\$ 2.69	\$ 44.98
Commercial: Average	300	\$ 550.60	\$ 16.55	\$ 47.00	\$ 614.15
Industrial: Average	5,000	\$ 8,487.23	\$ 259.82	\$ 940.00	\$ 9,687.05

CURRENT RATES	Rate per CCF
Block 1 (First 100 CCF)	\$ 1.73
Block 2 (Next 4,900 CCF)	1.63
Block 3 (Next 15,000 CCF)	1.08
Block 4 (Over 20,000 CCF)	0.97
FIRST STEP INCREASE	Rate per CCF
Block 1 (First 100 CCF)	\$ 1.78
Block 2 (Next 4,900 CCF)	1.68
Block 3 (Next 15,000 CCF)	1.11
Block 4 (Over 20,000 CCF)	1.00
PROPOSED RATES	Rate per CCF
<i>Residential</i>	
All Usage	\$ 1.83
<i>Non-Residential</i>	
Block 1 (First 5,000 CCF)	\$ 1.87
Block 2 (Next 15,000 CCF)	1.21
Block 3 (Over 20,000 CCF)	1.08

Meter Size	Current	First Step	Proposed
5/8	\$ 15.14	\$ 15.59	\$ 17.53
3/4	15.14	15.59	17.53
1	26.88	27.69	28.50
1 1/4	26.88	27.69	28.50
1 1/2	51.60	53.15	53.15
2	84.36	86.89	86.89
3	163.77	168.68	168.68
4	327.23	337.05	337.05
6	580.61	598.03	598.03
8	895.17	922.03	922.03
10	1,331.17	1,371.11	1,371.11
12	2,447.28	2,520.70	2,520.70
14	2,606.42	2,684.61	2,684.61
16	2,830.63	2,915.55	2,915.55
20	3,923.64	4,041.35	4,041.35
24	6,570.54	6,767.66	6,767.66



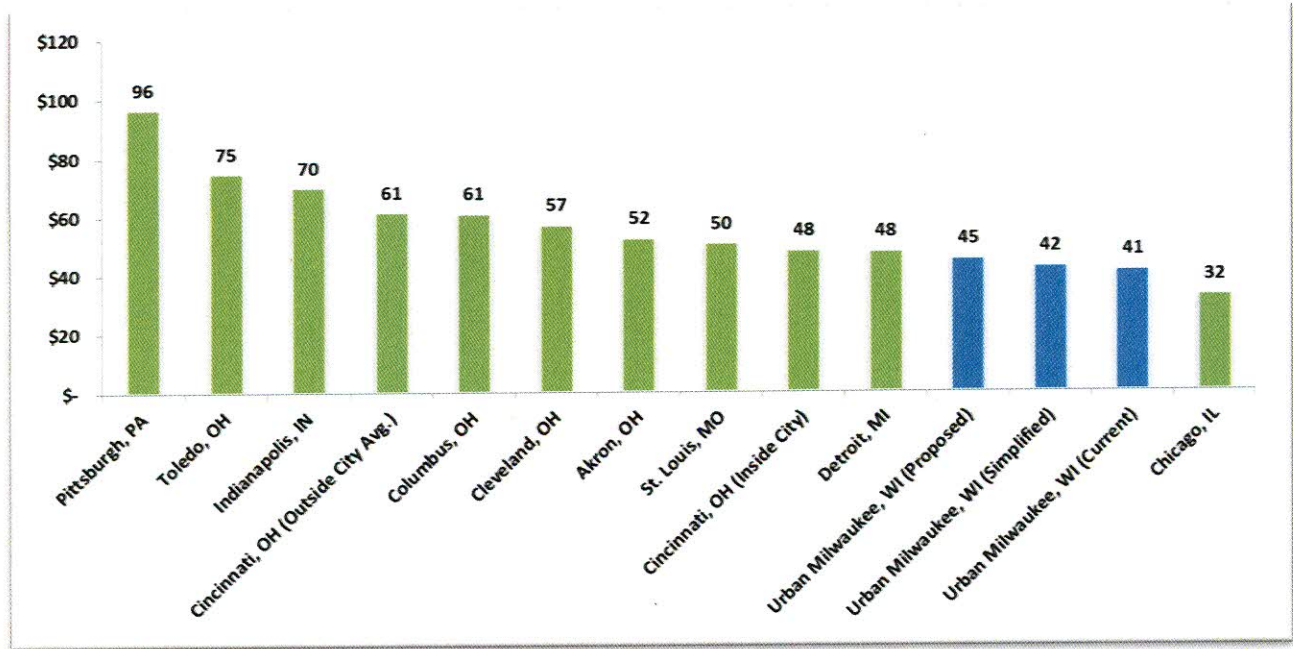
**Regional and Local
Comparison of Quarterly Water Bills
With Proposed Two-Step Rate Adjustment**

- 1) Residential Single-Family
- 2) Commercial Average
- 3) Industrial Average

Residential Single-Family Quarterly

15 Ccf

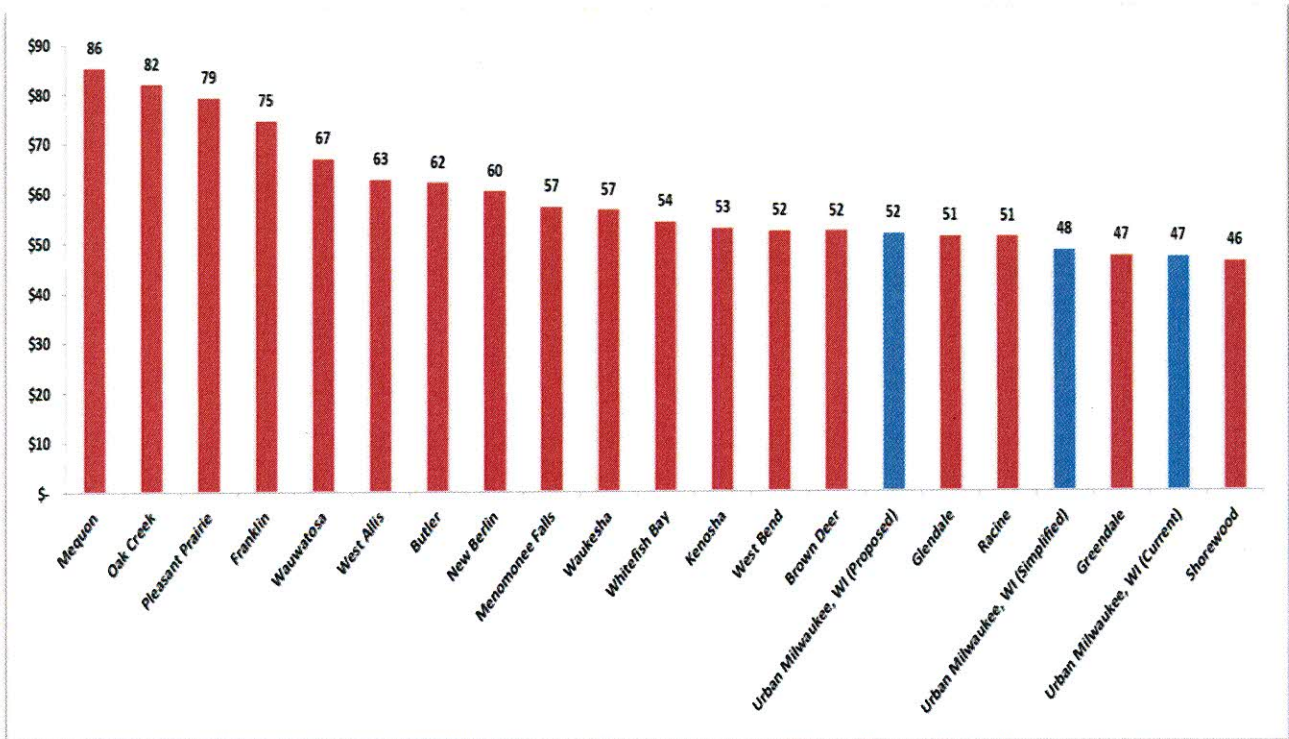
REGIONAL



Residential Single-Family Quarterly

15 Ccf

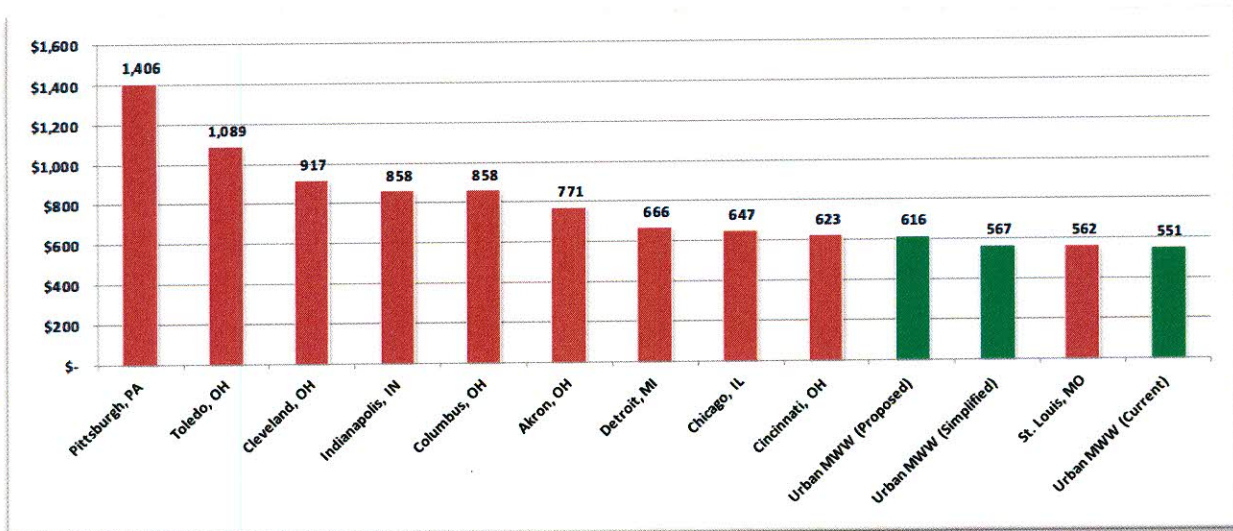
LOCAL



Commercial Average Quarterly

300 Ccf w/1.5" Meter

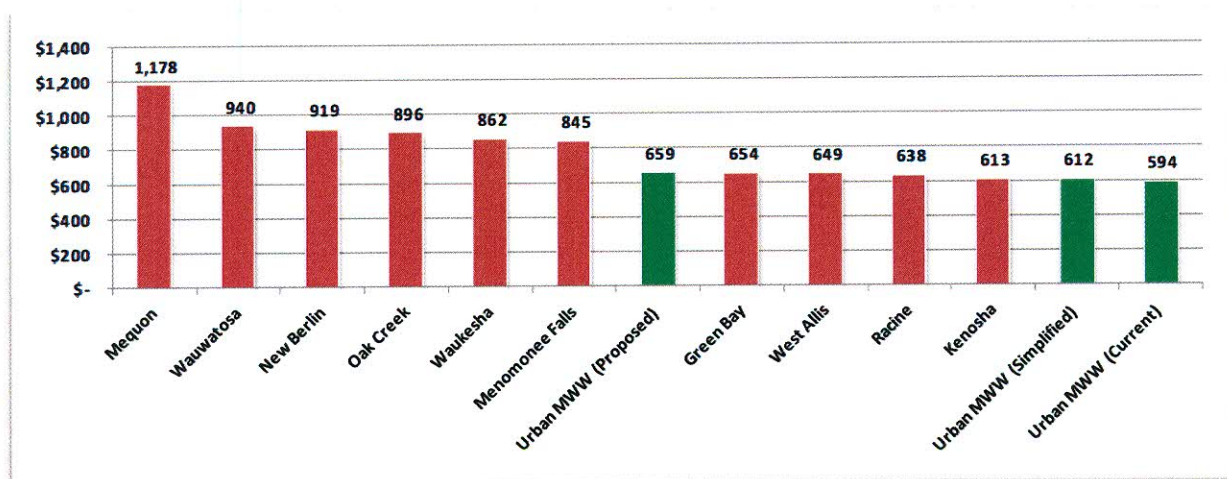
REGIONAL



Commercial Average Quarterly

300 Ccf w/1.5" Meter

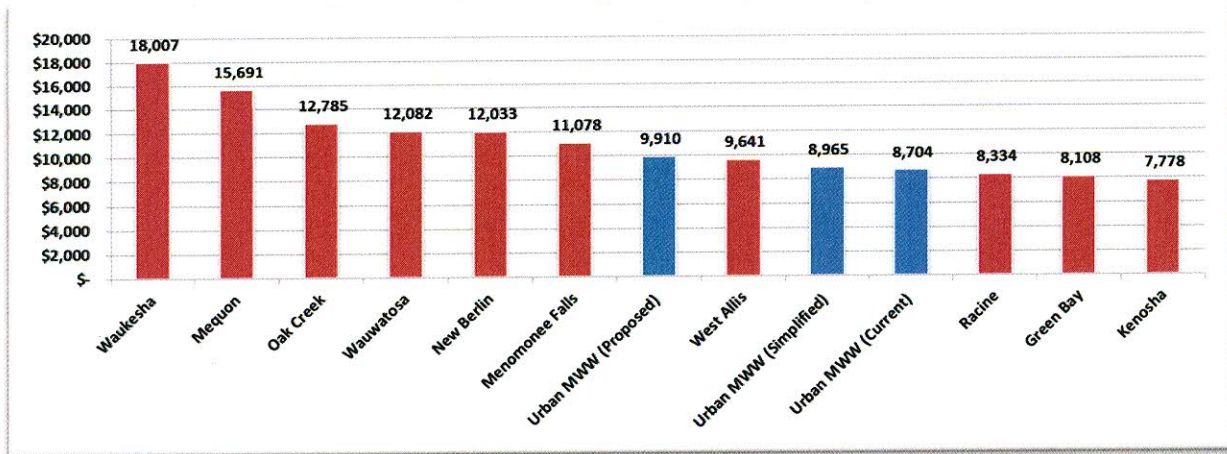
LOCAL



Industrial Average Quarterly

5,000 Ccf w/4" Meter

REGIONAL



Industrial Average Quarterly

5,000 Ccf w/4" Meter

LOCAL

