



Legislation Text

File #: 131400, **Version:** 1

131400
SUBSTITUTE 1
120642, 130383
THE CHAIR

Substitute resolution authorizing a two-step rate adjustment for Milwaukee Water Works.

This resolution authorizes and directs the Milwaukee Water Works to proceed with a two-step water rate adjustment to recover revenues required for the utility to maintain high water quality and service levels and increase reinvestment in infrastructure.

Whereas, Pursuant to Common Council Resolution File Number 130383, adopted on July 23, 2013, the Milwaukee Water Works, with the assistance of professional consultants, has developed a rate adjustment proposal that will recover the costs for a 2014 test year and achieve an overall rate of return of 4.6% based on 4.5% for retail customers and 5.5% for wholesale customers, and will allow the utility to maintain high water quality and service levels and increase reinvestment in infrastructure; and

Whereas, The proposed rate adjustment is the result of a highly intricate analysis of the utility's 2014 projected cost of doing business and of revenues required to support those activities, and all available data have been used to fairly and equitably allocate these costs to each customer class to ensure that the cost burden will be shared by all customers; and

Whereas, It is proposed to implement the required increase in revenue in a two-step process to ease the impact on customers and begin revenue enhancement for the utility with a small across-the-board increase mid-year 2014 using the simplified rate case process and the remainder after approval by the Public Service Commission of Wisconsin, likely in fall 2014, using the conventional rate case process; and

Whereas, Details of the proposed rate adjustment are presented in the exhibits to this file, the exact numbers of which may change slightly when the final analyses are run, and may be further adjusted by the Public Service Commission of Wisconsin; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Milwaukee Water Works is authorized and directed to submit an application for a water rate adjustment to the Public Service Commission of Wisconsin substantially similar to that described in the exhibits attached to this file, and that the resulting rate adjustment be implemented as soon as practicable after the effective date of the Public Service Commission of Wisconsin order and in accordance with ss. 196.21 and 196.40, Wis. Stats., and s. 14-14 of the charter; and, be it

Further Resolved, That the Milwaukee Water Works is authorized and directed to submit to the Public Service Commission of Wisconsin an application for a rate adjustment using the simplified rate case process no earlier than April 1, 2014, and to implement this increase no earlier than June 1, 2014.
DPW-Water Works

Administration
Carrie M. Lewis
1/24/2014