

**SERVICE DATE**  
**Jun 28, 2017**

PSC REF#: 326600

Public Service Commission of Wisconsin  
RECEIVED: 06/28/2017 10:05:01 AM

**PUBLIC SERVICE COMMISSION OF WISCONSIN**

Simplified Rate Case for the Village of Merrimac, as a Water Public  
Utility, Sauk County, Wisconsin

3630-WQ-106

**FINAL DECISION**

**Introduction**

On June 5, 2017, the Merrimac Municipal Water Utility (Utility) filed an application for a water rate increase under Wis. Stat. § 196.193, a Simplified Rate Case (SRC) process that does not require a hearing. Commission staff reviewed the information submitted by the Utility in support of its application and determined the water rate increase is justified as requested.

**Findings of Fact**

1. The revenue increase is calculated by multiplying the Utility's prior year revenue from sales of utility service by the 2017 rate increase factor (3.0 percent) set by the Commission.
2. The revenue increase combined with the Utility's prior year net operating income results in an overall rate of return that does not exceed 5.2 percent, the Commission's 2017 established overall rate of return applicable to a municipally owned water or combined water and sewer public utility.
3. The effective date of the rate increase is not less than 12 months from the effective date of a previous SRC increase and is not less than 45 days from the date of this application.
4. The Utility's last rate increase authorized pursuant to a hearing under Wis. Stat. § 196.20 has been in effect for at least a calendar year (i.e., January through December).
5. The Utility has less than 4,000 customers and the total of all prior rate increases granted since the last hearing under Wis. Stat. § 196.20 does not result in rates that are more than 40 percent higher than the base rates previously authorized by a hearing under Wis. Stat. § 196.20.

6. The Utility notified all its customers of the proposed rate increase.

### **Conclusion of Law**

1. The Commission has jurisdiction under Wis. Stat. §§ 196.02, 196.193 and 196.39, and Wis. Admin. Code ch. PSC 185.

2. The Commission has authority under Wis. Stat. § 15.02(4) to delegate to the Administrator of the Division of Water, Telecommunications and Consumer Affairs, those functions vested by law as enumerated above.

### **Order**

1. The Utility shall increase its rates for general service and public fire protection uniformly by the 3.0 percent rate increase factor.

2. The new rates will be effective July 26, 2017, and will be on file with the Commission as Amendment 23, provided that the Utility makes a copy of the new rates available to the public before this date by placing a copy of the new rates at locations where customer payments are accepted, on the Utility's Internet site, or in a form and place that is otherwise readily accessible to the public. If a copy of the new rates is not made available to the public by this date, the new rates shall take effect on the date they are so made available.

3. The Utility shall inform each customer of the new rates authorized by this order.

4. The Utility's current rates and rules shall be available for public inspection.

5. The Utility shall keep on permanent file all its previous rates.

6. Jurisdiction is retained.

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7. This order is effective one day after the date of service.

Dated at Madison, Wisconsin, June 28, 2017

For the Commission:

A handwritten signature in black ink, appearing to read "S.A. Knudson", with a long horizontal flourish extending to the right.

Steven A. Knudson  
Administrator  
Division of Water, Telecommunications, and Consumer Affairs

SAK:ajh:pc DL:01543025

See attached Notice of Right

PUBLIC SERVICE COMMISSION OF WISCONSIN  
610 North Whitney Way  
P.O. Box 7854  
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE  
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE  
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

*PETITION FOR REHEARING*

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

*PETITION FOR JUDICIAL REVIEW*

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.<sup>1</sup> The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

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<sup>1</sup> See *Currier v. Wisconsin Dep't of Revenue*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

**Public Service Commission of Wisconsin**

**Merrimac Municipal Water Utility**

<p><b>Public Fire Protection Service</b></p>
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The annual charge for public fire protection service to the Village of Merrimac shall be \$31,258.

The annual charge shall never be less than \$31,258. For all extensions of fire protection service, there shall be an additional charge of \$337 per net hydrant added to the system in excess of 50 hydrants.

This service shall include the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purposes of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

**RATE FILE**

Sheet No. 1 of 1

Schedule No. Mg-1

Amendment No. 23

**Public Service Commission of Wisconsin**

**Merrimac Municipal Water Utility**

**General Service - Metered**

Service Charges:

	<u>Quarterly</u>	<u>Monthly</u>		<u>Quarterly</u>	<u>Monthly</u>
5/8 - inch meter - \$	27.06	9.02	2 - inch meter - \$	64.83	21.61
3/4 - inch meter - \$	27.06	9.02	3 - inch meter - \$	93.69	31.23
1 - inch meter - \$	34.23	11.41	4 - inch meter - \$	136.92	45.64
1 1/4 - inch meter - \$	43.26	14.42			
1 1/2 - inch meter - \$	50.46	16.82			

For PSC use only: base 5/8-inch meter charge for SRC purpose - 22.50

Plus Volume Charges:

First	30,000	gallons used each quarter	
	10,000	gallons used each month - \$3.40 per 1,000 gallons	
Next	70,000	gallons used each quarter	
	23,333	gallons used each month - \$1.92 per 1,000 gallons	
Over	100,000	gallons used each quarter	
	33,333	gallons used each month - \$1.49 per 1,000 gallons	

**Billing:** Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge will be applied to the total unpaid balance for utility service, including unpaid late payment charges. The late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Adm. Code ch. PSC 185.

**Combined Metering:** Volumetric meter readings will be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. Multiple meters placed for the purpose of identifying water not discharged into the sanitary sewer are not considered for utility convenience and shall not be combined for billing. This requirement does not preclude the utility from combining readings when metering configurations support such an approach. Meter readings from individually metered separate service laterals shall not be combined for billing purposes.

Buildings used in the same business, located on the same parcel and served by a single service lateral may have the customers' water supply piping installed to a central point so that volume can be metered in one place.