

SERVICE DATE
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PSC REF#: 406391

Public Service Commission of Wisconsin
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PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the Village of Caledonia, Racine County, Wisconsin,
as a Water Public Utility, for Authority to Adjust Water Rates
through its Purchased Water Adjustment Clause

900-PW-102

FINAL DECISION

This is the Final Decision in the Class 1 proceeding conducted by the Public Service Commission (Commission) on the application of the Village of Caledonia Water Utility (applicant) for approval to adjust water rates through its Purchased Water Adjustment Clause (PWAC) in Schedule PWAC-1 of its tariff. This application is APPROVED, subject to conditions.

Introduction

The applicant applied to the Commission on December 28, 2020 for authority to adjust water rates through its PWAC. Pursuant to due notice, the Commission held an audio hearing on February 19, 2021 before Administrative Law Judge Michael E. Newmark. The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. The applicant was the only party to this proceeding.

The applicant purchases water at wholesale from Racine Water Works Commission (Racine). In the Final Decision in docket 4900-WR-114, served on October 13, 2020, the Commission approved Racine's application to increase water rates and revise tariff provisions, pursuant to Wis. Stat. §§ 196.02(1), 196.03(1) and (3), 196.19, 196.20, 196.22, 196.37(1), (2), and (3), and 196.395. ([PSC REF#: 398208](#).) Under Schedule PWAC-1, a utility that purchases water at wholesale may apply to the Commission for an adjustment to its water rates based on a

formula in the schedule to reflect an increase or decrease in the rates charged by the wholesale provider.

Findings of Fact

1. The Commission approved the application of Racine in docket 4900-WR-114 to increase water rates on October 13, 2020, pursuant to Wis. Stat. §§ 196.02(1), 196.03(1) and (3), 196.19, 196.20, 196.22, 196.37(1), (2), and (3), and 196.395.
2. The applicant is a wholesale customer of Racine.
3. An increase in water rates authorized to a wholesale water provider increases purchased water costs to the wholesale water customers.
4. It is reasonable for wholesale water customers to recover from its retail customers the appropriate cost of water purchased.
5. The rates and tariff provisions authorized by this Final Decision are just and reasonable as all customers will be required to pay an appropriate amount for the service provided.

Conclusions of Law

1. The applicant is a municipal public utility as defined in Wis. Stat. § 196.01(5)(a).
2. The Commission has authority under Wis. Stat. §§ 196.02(1), 196.03(1) and (3), 196.19, 196.20, 196.22, 196.37(1), (2), and (3), and 196.395 to authorize the applicant to adjust water utility rates and revise tariff provisions.
3. The Commission has authority under Wis. Stat. § 15.02(4) to delegate to the Administrator of the Division of Water Utility Regulation and Analysis (Division Administrator)

those functions vested by law as enumerated above and has delegated authority to issue this Final Decision to the Division Administrator.

Opinion

Schedule PWAC-1 of the applicant's tariff on file with the Commission provides that the utility may apply to the Commission for a water rate adjustment if its wholesale water provider increases the rates it charges. Schedule PWAC-1 provides a formula to reflect an increase or decrease in rates charged by the wholesale water service provider, Racine. Schedule PWAC-1 functions as a pass-through mechanism to align the rates charged by the applicant to its customers with the applicant's purchased water costs. The Commission reviewed the information submitted by the applicant in support of its application to adjust water rates by applying the PWAC and determined the water rate increase is justified as requested.

The water service rates and tariff provisions authorized in this decision are set forth in Appendix B and are based on the cost of supplying various classes or types of service. All customers will be required to pay an appropriate amount for the service provided.

The typical water bill for general service for an average single family residential customer with a 5/8-inch or 3/4-inch meter who uses 1,200 cubic feet of water per quarter will increase from \$76.07 to \$81.06, an increase of 6.56 percent.

Public Comments

The Commission received no public comments on the Electronic Records Filing (ERF) system. No members of the public attended or provided comments at the hearing.

Order

1. The application to adjust water rates is approved, as set forth in Appendix B.

Docket 900-PW-102

2. The authorized rate increases and tariff provisions shall take effect no sooner than one day after the day the applicant has: (a) filed these rates and tariff provisions with the Commission; and (b) made them available to the public at locations where customer payments are accepted, on the applicant's website, or in a form and place that is otherwise readily accessible to the public, pursuant to Wis. Stat. § 196.19 and Wis. Admin. Code § PSC 185.33(1) (f). If a copy of the new rates and tariff provisions is not made available to the public when they are filed with the Commission, the new rates and tariff provisions shall take effect one day after the day they are made available to the public.

3. The rates approved in this docket shall take effect no later than 90 days from the service date of this Final Decision or as directed by the Commission or Commission staff.

4. Jurisdiction is retained.

Dated at Madison, Wisconsin, March 8, 2021.

For the Commission:



Denise L. Schmidt
Administrator
Division of Water Utility Regulation and Analysis

DLS:ajh:ggl DL:01785723

PUBLIC SERVICE COMMISSION OF WISCONSIN
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**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.¹ 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

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

CONTACT LIST FOR SERVICE BY PARTIES

PUBLIC SERVICE COMMISSION OF WISCONSIN

(Not a party but must be served per Wis. Stat. § 227.53)

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VILLAGE OF CALEDONIA WATER UTILITY

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Village of Caledonia Water Utility

Authorized Water Rates

Docket 900-PW-102

Village of Caledonia Water Utility

Water Rate File Changes

Amended

F-1
Mg-1
W-1

Public Service Commission of Wisconsin

Village of Caledonia Water Utility

Public Fire Protection Service

Public fire protection service shall include the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose 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.

Under Wis. Stat. § 196.03(3)(b), the municipality has chosen to have the utility bill the retail general service customers for public fire protection service.

Quarterly Public Fire Protection Service Charges:

5/8 - inch meter:	\$ 15.53	3 - inch meter:	\$ 231.86
3/4 - inch meter:	\$ 15.53	4 - inch meter:	\$ 387.51
1 - inch meter:	\$ 38.76	6 - inch meter:	\$ 775.01
1 1/4 - inch meter:	\$ 57.17	8 - inch meter:	\$ 1,241.92
1 1/2 - inch meter:	\$ 76.24	10 - inch meter:	\$ 1,861.29
2 - inch meter:	\$ 123.88	12 - inch meter:	\$ 2,480.66

Customers who are provided service under Schedules Mg-1, Ug-1, or Sg-1 shall also be subject to the charges in this schedule according to the size of their primary meter.

Billing: Same as Schedule Mg-1.

Village of Caledonia Water Utility

General Service - Metered

Quarterly Service Charges:

5/8 - inch meter:	\$ 22.09	3 - inch meter:	\$ 164.86
3/4 - inch meter:	\$ 22.09	4 - inch meter:	\$ 255.05
1 - inch meter:	\$ 36.71	6 - inch meter:	\$ 475.90
1 1/4 - inch meter:	\$ 49.77	8 - inch meter:	\$ 730.95
1 1/2 - inch meter:	\$ 65.32	10 - inch meter:	\$ 1,097.98
2 - inch meter:	\$ 99.53	12 - inch meter:	\$ 1,465.01

Plus Volume Charges:

First	20,000	cubic feet used quarterly:	\$3.62 per 100 cubic feet
	(149,600	gallons used quarterly:	\$4.84 per 1,000 gallons)
Next	180,000	cubic feet used quarterly:	\$3.57 per 100 cubic feet
	(1,346,400	gallons used quarterly:	\$4.77 per 1,000 gallons)
Over	200,000	cubic feet used quarterly:	\$3.47 per 100 cubic feet
	(1,496,000	gallons used quarterly:	\$4.64 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: For a residential customer with more than one meter on a single service lateral, volumetric reading from all meters shall be combined for billing. For a nonresidential customer, volumetric readings may 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 may not be combined for billing. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Volumetric readings from individually metered separate service laterals may not be combined for billing purposes.

RATE FILE

Sheet No. 1 of 1

Schedule No. W-1

Amendment No. 43

Public Service Commission of Wisconsin

Village of Caledonia Water Utility

Wholesale Water Service

Wholesale water service to the Wind Point Municipal Water Utility shall be provided at the following rates:

Public Fire Protection Service

Service Charge: \$ 10,529.00 per quarter

General Service

Service Charge: Based on Schedule Mg-1 Service Charges for all wholesale meters.

Volume Charge: \$ 3.47 per 100 cubic feet

Billing: Same as Schedule Mg-1.