



Public Service Commission of Wisconsin

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New Rate Structure for Waukesha Water Utility Will Encourage Residents to Conserve Water Use

MADISON - The Public Service Commission of Wisconsin (PSC) today approved the City of Waukesha Water Utility's request for a 16 percent overall water rate increase and to create different block sizes for duplex and triplex customers on a single meter. The new rates refine Waukesha's existing residential inclining block structure to better distinguish between subclasses of residential users and to send a stronger price signal to encourage conservation.

"Conservation provides significant benefits to communities. With a new price differential, the utility continues to encourage water conservation to better meet the city's current and future needs," said PSC Chairperson Eric Callisto. "I hope to continue to work with Wisconsin utilities to implement measures that protect our state's water resources."

The utility requested the rate increase in an effort to reduce per capita water use 20 percent as set forth in its *2006 Water Conservation and Protection Plan*, and to ensure adequate revenue for radium compliance. The utility has implemented numerous conservation measures in recent years and has seen water consumption decrease substantially. As well as establishing inclining block rates, the utility has provided water conservation outreach and education activities with local schools, public service announcements and established a water conservation website.

From 2002 to 2008, the utility's average annual sales per residential customer dropped 17.9 percent from 76,460 to 62,795 gallons. This drop led to overall total residential sale volume declines of 10.9 percent, despite an increase in residential customers of 8.5 percent. While some variability in usage can be attributed to weather patterns, the utility's water conservation programs have played an important role in reducing demand. An average residential customer using 15,000 gallons of water per quarter will see an increase of \$7.50 on their water bill.

When a utility requests a change in rates, the PSC conducts a thorough audit of the utility's expenses and revenues. Testimony provided at the public hearing in Madison in May was part of the record the Commission reviewed as it considered all aspects of the utility's application. The Commission will issue a written order to finalize today's decision.

Documents associated with this case can be viewed on the PSC's Electronic Regulatory Filing System at <http://psc.wi.gov>. Type case number 6240-WR-106 in the boxes provided on the PSC homepage, or click on the Electronic Regulatory Filing System button.

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