



MEMO

DATE: June 19, 2023
TO: City Council
FROM: Andrew Sukowaty, Water Director
SUBJECT: Simplified Rate Case for The Water Utility

Upon recommendation from the Utility Committee the Water Utility is requesting to file a Simplified Rate Case with the PSC. This would increase the Water rates and general services charges by 8%. The new rates must be in place by September 1, 2023.

The reasons behind this include increased expenses in the following areas:

- Wage increases to remain competitive
- On-going DNR regulation compliance
- Increasing the Property Tax Equivalent to its normal level
- Recent trends in regular inflation
- Increased Debt Services as part of the current 5-year planning

The last rate increase in the Water Utility was 9/1/2018. We are at the end of the SRC possibility. Wait any longer and we MUST do a Full Rate Case. Full Rate Cases are time-consuming, expensive, and would likely have a return of a 13%-15% rate increase. Unfortunately, we are on a short timeline if we want to move forward on the SRC. There needs to be Council approval and proper notices. Rates MUST be in place before 9/1/2023.

Sincerely,

Andrew Sukowaty, Water Director



E-Services Portal



SRC Application: Customer Notice - Information - Water

Two Rivers Water and Light Utility (5990)

The following includes Commission-approved text that will be part of auto-generated Customer Notice. The utility must add the necessary information in the Customer Classification table below, and add the phone number in the last box as appropriate. The utility may add additional text in any of the boxes as needed. However, do not delete any of the text since the information provided is required by state statute. A final Customer Notice will be provided in the next screen, in addition to a form for the utility's Application. For more information, refer to the [SRC Application Instructions](#).

Notice of Rate Increase
Water Customers of the Two Rivers Water and Light Utility

This is to give you notice that the Two Rivers Water and Light Utility will file an application on June 21, 2023, with the Public Service Commission of Wisconsin (PSC), for authority to increase water rates. Rates for general service will increase 8.0 percent. The increase is necessary to reduce the existing deficiency in present rates. The request is being made under Wis. Stat. 196.193. Rate increases granted under this statute do not require a public hearing. The effect of the increase for some selected customers is shown below. Public Fire Protection and Wholesale rates (if applicable) will also increase 8.0 percent.

The system will calculate and display the existing and revised rates on the next page. Select the Customer Classification first. The system will automatically fill in the default meter size and volume. If your company does not have the default meter size, you will need to manually select the meter size from the listbox.

Customer Classification	Meter Size (inches)	Volume Cubic Feet
Average Residential ▾	3/4 ▾	500

Optional - Other Language

Two Rivers Water and Light Utility anticipates that this rate increase will go into effect on September 1, 2023. If you have any questions about the rate increase request, call the Two Rivers Water and Light Utility at (XXX) XXX-XXXX.

Continue