

Public Service Commission Of Wisconsin
Application To Increase Water Rates
Class C

Utility Name: **Mcfarland Water and Sewer Utility**

Test Year: **2021**

In Progress	Error/Warning	Complete	
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Run Final Edit Checks

Re-run Final Edit Checks

Clear Final Edit List

Print Final Edit List

INSTRUCTIONS FOR COMPLETING AN APPLICATION TO INCREASE WATER RATES

Class C Water Utilities

Clicking on an Attachment listed below will take you directly to the instruction narrative

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[Attachment 1 – Listing of Largest Customers Billed During Latest 12 Months](#)

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Form #3024 – Application to Increase Rates Form

- a. The electronic application is for an increase in water rates only. If the utility wants to request a sewer rate increase, use the PSC Web Site to request an application or call the PSC at (608) 266-5991.
- b. A short statement is required indicating the reason for the rate increase request.
- c. Complete the section for persons that can be contacted regarding this application.
- d. The application must be filed with the PSC prior to August 1, 2017 and should be based on a 2017 test year. Applications filed after August 1, 2017, must be based on a 2018 test year.

Hearing – Telephonic Hearing Information

- a. Instructions for completion are contained within the form.

Attachment 1 – Listing of Largest Customers Billed During Latest 12 Months

- a. List the billed units consistent with Schedule Mg-1 in your tariff sheets.
- b. During the last 12 month period, identify the highest consumption billed for each of the four largest customers in each class.
- c. List the meter size, billing date, and the billed consumption.
- d. Instructions for completing Part 2 are contained within the form.

Attachment 2A – Consumer Analysis-Actual Latest 12 Months (Volume Sales)

- a. Provide the authorized rates for volume consistent with Schedule Mg -1.
- b. If the utility uses a non-computerized billing program, contact the PSC for assistance in how to determine the volume distribution into rate blocks.
- c. Complete Attachment 2A using actual data from the latest 12 months for each customer class.
- d. Units are the total of all units billed, net of any adjustments, for the latest 12 months.
- e. At the top of the Attachment 2A, indicate the number of annual billings, such as 4 for quarterly billing. This is the basis for computing the annual revenue for meter charges.

- f. Provide the actual total volume for the most recent 12-months for each class.

Attachment 2B - Consumer Analysis - Actual Latest 12 Months (Service Charges)

- a. Provide the authorized meter charges consistent with Schedule Mg-1.
- b. Complete Attachment 2B using actual data from the 12 months for each customer class.
- c. The average number of meters is determined based upon the actual number of billed each period and averaged depending on the number of billing periods for the latest 12 months.
- d. Provide the actual total billed revenues for the same 12 months. If the variance between the total revenues and actual billed revenues is greater than 3 percent for any customer class, the variance must be explained in the Notes (Attachment 19)
- e. The schedule is a continuation of Attachment 2A.

Attachment 2C - Sales Historical Data and Forecasts

- a. This schedule lists sales by volume and average customer count for the test year plus the previous 5 years. Test year amounts are derived from Attachment 3 of the water rate increase application whereas the previous 5 years are derived from Page W-02, Sales of Water, contained in the PSC annual report.
- b. Details concerning any large changes from year to year in usage and average customer count should be explained in the Notes (Attachment 19).

Attachment 3A – Consumer Analysis-Test Year (Volume Sales)

- a. Using the data from Attachment 2, (percentage distribution of volume sales by rate blocks), provide a consumer analysis for the **estimated test year**.
- b. Complete details concerning the gain or loss of any large customer should be explained in the Notes (Attachment 19).
- c. Changes in usage by large customers and variations in usage by all customers due to weather should also be considered.
- d. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 3B - Consumer Analysis - Test Year (Service Charges)

- a. Provide the meter charges for the **estimated test year**.
- b. The consumer analysis must include any projection of customer growth due or demand reduction due to conservation.
- c. Complete details concerning the gain or loss or any large customer should be explained in the Notes (Attachment 19)
- d. If necessary please explain in the Notes (Attachment 19).
- e. This schedule is a continuation of Attachment 3A.

Attachment 3W - Wholesale Revenues

- a. List rates and billing frequency consistent with Schedule W-1 in your tariff sheet.
- b. List test year consumption estimates for each wholesale customer.
- c. Details concerning any large changes in usage or the gain or loss of a large customer served by a wholesale customer should be explained in the Notes (Attachment 19).

Attachment 4 – Public Fire Protection Revenue-Test Year Summary

- a. This schedule is a summary of various methods of charging for Public Fire Protection.
- b. For a Municipal Charge based upon mains and/or hydrants or Direct Charges to Customers based upon equivalent meters or equivalent services, the test year estimate is derived from Attachment 5.
- c. For all other charges, insert the test year estimate in the amount column.
- d. For Direct Charges to Customers based upon a method **other than** equivalent meters or equivalent services, **detail must be submitted to the PSC supporting this method**.
- e. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 5 – Public Fire Protection Revenue-Test Year Detail

- a. For a Municipal Charge based upon mains and/or hydrants, complete the MUNICIPAL CHARGE section of Attachment 5.
 - i. Base units and charges are obtained from the current tariff sheet, typically Schedule F-1.
 - ii. Net additions for mains and hydrants units are derived from Attachment 17, Part One.
- b. For Direct Charges to Customers based upon equivalent meters or equivalent services, complete DIRECT CHARGE TO CUSTOMERS section.
 - i. The Authorized Rates are obtained from the current tariff sheet, typically Schedule F-1 or Fd-1.
- c. The Average Number of Meters is derived from Attachment 3B.
- d. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 6 – Private Fire Protection Revenue-Test Year Detail

- a. To compute the test year Private Fire Protection Revenue, complete the applicable sections.
- b. The Authorized Rates are obtained from the current tariff sheet, typically Schedule Upf-1.
- c. Enter the test year Average Number of Connections, based on size of the connection.
- d. Where a credit is authorized for general service branches off the private fire connection, list the average number of meters each billing period that meet the criteria.
- e. The authorized meter rates in this section are derived from Attachment 3.

- f. If a credit is authorized for general service branches, enter the appropriate percent in the highlighted area.
- g. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 7 – Operating Revenues-Test Year Summary

- a. Test year revenue estimated amounts are derived for the following: Metered Sales to General Customers; Private Fire Protection; and Public Fire Protection.
- b. "Interim year" and other test year estimates should be based upon historical trends and other relevant information.
- c. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 8 – Taxes-Test Year Summary

- a. The test year and interim year amounts are derived for the Property Tax Equivalent Payable for the Year, and the Local and School Tax Equivalent on Meters Charged to the Sewer Department (sewer meter allocation).
- b. The test year and interim year meter allocations to the sewer department are based upon 50 percent of the beginning of year meter balance (Attachment 11, Account 346), the assessment ratio (Attachment 9) and the current year net local and school mill rate (Attachment 9).
 - i. If the meter allocation is other than 50 percent, insert the appropriate percentage in the cell formula.
 - ii. If the sewer department does not use the water utility's meter readings in determining the sewer billing, then enter 0 (zero).
- c. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 9 – Property in Lieu of Tax Expense

- a. Attachment 9 includes the instructions for completing the Payment in Lieu of Tax Expense.
- b. If the municipality has authorized an amount as allowed by Wis. Stat. §66.0811(2), explain fully the circumstances in the Notes (Attachment 19).
- c. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 10 – Operating Expenses

- a. A historical three-year average is provided. If expenses fluctuate from year to year, the average can be helpful when determining the interim and test year estimates.
- b. If either the interim or test year estimate varies from the three-year average by more than plus or minus 15 percent, the cause(s) must be explained in the Notes (Attachment 19).
- c. Large expenses that infrequently occur, such as for well rehab or pump repairs, should be normalized as part of the test year estimated expense.
- d. A schedule showing each individual water reservoir/tower detailing the last date and cost of repainting or repair is required to be completed in the Notes, (Attachment 19a). The average annual cost should be normalized as part of the test year estimated expense.
- e. Rate case expenses are included in Regulatory Commission Expense and should be normalized over an appropriate time period based upon the utility's past frequency of rate increase requests.
- f. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 11 – Utility Plant in Service - Financed by Utility or Municipality

- a. Additions and retirements should be estimated for both the interim year and the test year.
- b. If the utility is requesting that any of the plant additions be treated as major projects, use the column titled "Major Construction Additions". Major project treatment results in full effect when calculating the test year tax equivalent expense, depreciation expense, and rate base components.
- c. Major projects are those that represent very large costs for the utility, occur infrequently, and typically require construction approval from the PSC. Projects which occur frequently, such as an ongoing water main replacement programs, may be costly but are considered routine and are not major projects.
- d. If a part or all of a major project will not be placed into service until after the end of test year, that portion of the project must be considered in Step II (See Attachments 20 -22).
- e. If the utility has a major project that will be constructed over several years before it is placed in service, the utility may qualify for an addition to the rate of return during the construction period. If this situation occurs, contact the PSC for further information.
- f. The units added or retired for feet of main and number of hydrants must be provided in Attachment 17.
- g. DO NOT INCLUDE CONTRIBUTED PLANT TRANSACTIONS IN ATTACHMENT 11.
- h. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 11a– Utility Plant in Service--Contributed Plant

- a. Additions and retirements should be estimated for both the interim year and the test year.
- b. Depreciation on contributed plant will not be included in expenses for rate making purposes.
- c. Contributed Plant additions and retirements are shown in Attachment 11a only.
- d. The units added or retired for feet of main and number of hydrants must be provided in Attachment 17.
- e. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 12 – Depreciation Accrual and Expenses

- a. The interim year depreciation accrual is based on the utility's current depreciation rates.
- b. Depreciation Rates (B) are based upon the PSC Recommended Rate Benchmarks. If any rate other than the benchmark will be used for the test year, the rate should be entered. If an account is fully depreciated, a depreciation rate of 0% should be inserted.
- c. Enter the appropriate information at the bottom of the schedule to reconcile the depreciation accrual to the estimated depreciation expense.
- d. An allocation of 50 percent of meter depreciation to the sewer department is calculated automatically. If the allocation for your utility is different, insert the applicable percent in the space provided.
- e. Major Construction Additions shown in Attachment 11 result in a full year depreciation accrual and expense effect for the test year.
- f. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 13 – Accumulated Depreciation, Materials and Supplies Inventory, Regulatory Liability and Other Adjustments

- a. For Accumulated Depreciation, the retirements and the annual accruals are derived from Attachments 11 and 12, respectively. For estimated salvage and cost of removal for the interim and the test years, enter the estimated transactions.
- b. For Materials and Supplies, enter the estimated year-end balances. An increase or decrease in the interim or test year of more than 15 percent must be explained in the Notes (Attachment 19).
- c. For Regulatory Liability, enter the estimated year-end balances. This beginning balance recorded in 2004 represents the pre-2003 historical accumulated provision for depreciation on contributed plant as prescribed in the Commission's supplemental decision in docket 05-US-105. The balance transferred in 2004 should be amortized in equal annual amounts to Account 425, Miscellaneous Amortization over a period of 20 years.
- d. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 14 – Estimated Rate Base, Requested Rate of Return and Increase Requested

- a. Part One calculates the net operating income (loss) for the test year. All amounts are derived from other attachments except Amortization Expense, Account 404, which, if applicable, must be entered and the purpose specified.
- b. Part Two is a calculation of the Average Net Investment Rate Base for the test year. All amounts are derived from other attachments.
- c. Part Three calculates the estimated requested increase.
 - i. Enter a requested rate of return (ROR) in the highlighted box and the estimated increase is calculated.
 - ii. A guideline for a maximum ROR is to use the current market cost of 30-year municipal bonds plus 2.00 percent. Typically the range will be 5.00 to 7.00 percent.
 - iii. If the PSC determines that the requested ROR is not within this guideline, or requires use of other criteria, the PSC may recommend a different ROR.
 - iv. If you have questions about estimating the ROR, please contact PSC for assistance.
- d. If necessary, please describe unusual situations in the Notes (Attachment 19).

Attachment 15 – Financing and Debt Summary

- a. Identify the sources of financing plant additions for the interim and the test years. Use the descriptions provided or specify other types of financing.
- b. List the utility's debt issues. Use only one line for each existing and estimated new debt issue.
 - i. Include the corresponding annual interest, either accrued or payable, for each issue.
 - ii. A summary in total is acceptable if the utility has debt information available by issue and can scan and/or insert the information to this Attachment. An attachment filed on ERF is also acceptable.
 - iii. All debt issues for all utility departments and non-utility sewer departments reported in the PSC annual report must be included unless a separate balance sheet and income statement are provided.

Attachment 16 – Impact Fees

This attachment requests information about impact fees. If the utility has impact fees, please complete the schedule and supply the requested documents.

Attachment 17 – Miscellaneous

- a. Indicate the number of feet of main and number of hydrants being added and retired.
- b. Indicate the utility's preferred method for lateral installation charges.
- c. Enter the method for delinquent bill charges.
- d. Indicate whether the utility would like to include any Other/Miscellaneous Charges such as special billing, meter reading, missed appointment, or Non-sufficient funds charges.
- e. Indicate the method for recovering public fire protection charges.
- f. Indicate the preferred Mg-1 volumetric rate design for each customer class (residential and non-residential)
- g. Space is available to request additional tariff changes.

Attachment 18 – Water Conservation Spending

- a. This attachment requests information about the utility's water conservation spending. The utility only needs to complete this schedule if it has a PSC approved water conservation program.

- b. Instructions for completing this schedule are contained within the form.

Attachment 19 and Attachment 19a – Notes and Required Supplemental Information

- a. This attachment is to be used to describe any assumptions used by the utility in forecasting, describing any unusual situations, significant variations from historical, etc., in Attachments 1-18.
- b. Each item must be referenced to the applicable Attachment number(s).
- c. Attachment 19a is required supplement information. The requested information should be inserted in the white boxes provided.
- d. The totals should agree with the meter counts reported on page W-23 of Annual Report.

Attachment 20 – Step II Major Plant Detail

- a. If a part or all of a major project will not be placed into service until after the end of test year, that portion of the project must be considered in Step II.
- b. If a major project will be completed (even though final costs will be paid later) and placed into service before the end of the test year, then the entire major project costs should be included in Attachment 11, and is not a Step II major project.
- c. If the utility has a major project that will be constructed over several years before it is placed in service, the utility may qualify for an addition to the rate of return during the construction period. If this situation occurs, contact the PSC for further information.
- d. Summary of Step II major plant additions:
 - i. Summarize, by plant account, the Step II plant additions.
 - ii. Insert the applicable depreciation rates (from Attachment 12).
 - iii. The depreciation expense will be calculated based upon the estimated plant and depreciation rates.
- e. If any of the Step II additions are outside the municipal boundaries, insert the amount in the space provided.
- f. The Calculated Tax Equivalent—Step II is based upon the net taxable plant, the test year assessment ratio (from Attachment 9), and the net local and school rate (from Attachment 9).
- g. If the municipality has authorized an amount as allowed by Wis. Stat. § 66.0811(2), enter that amount. If no authorization, leave **blank**.
- h. If dollars are added for mains and/or hydrants, the units added or retired for feet of main and number of hydrants must be provided.
- i. If necessary, please describe unusual situations in the Step II Notes (Attachment 22).

Attachment 21 – Step II Summary

- a. This schedule summarizes information that represents Step I estimates for the test year and are derived from Attachment 14.
- b. The Step II Additional column has amounts derived from Attachment 20 for Depreciation Expense, Taxes, Utility Plant in Service, and Accumulated Depreciation.
- c. In Part One:
 - i. If additional revenue results from the Step II additions, include the amount in the Step II Additional column, describe in the Notes (Attachment 22).
 - ii. If additional operation and maintenance expense will be incurred as a result of the Step II plant additions, include the total in the Step II Additional column. Provide detail as necessary, by expense account, in the Notes together with the assumptions used in arriving at the expense for each account.
- d. In Part Two, if amounts for materials and supplies are included in the Step II Additional column, explain fully in the Notes (Attachment 22).
- e. Part Three calculates the requested increase.
 - i. Enter a requested rate of return (ROR) in the highlighted box and the estimated increase is calculated.
 - ii. Please note that the ROR in Step II can be different than requested in Attachment 14 (Step I).
 - iii. A guideline for a maximum ROR is to use the current market cost of 30-year municipal bonds plus 2.00 percent.
 - iv. If the PSC determines that the requested ROR is not within this guideline, or requires use of other criteria, the PSC may recommend a different ROR.
 - v. If you have questions about estimating the ROR, please call the PSC for assistance at (608) 266-5991.
- f. If necessary, please describe unusual situations in the Notes (Attachment 22).

Attachment 22 – Step II Notes

- a. This attachment is to be used to describe any assumptions used by the utility in forecasting or describing any Step II items in Attachments 20 and 21.
- b. Describe, in particular, Step II additional revenue or operation and maintenance expense forecasted in Attachment 21.
- c. If necessary, include other general discussion that may be helpful regarding Step II items.

Run Final Edit

- a. The purpose of the Final Edit is to ensure information is reasonably completed for related attachments.
- b. Activating the Run Final Edit button, located on the Main Menu, will create a Final Edit List which can be viewed and printed.
- c. The Final Edit must be completed prior to submitting the application to the PSC. RERUN as many times as necessary.
- d. The items that need to be corrected will appear in "red" in the edit check listing.

Attachment 23 – Filing the Application to Increase Water Rates (Rate Application) using the PSC’s Electronic Regulatory Filing (ERF) System

All formal rate case applications and subsequent filings in those cases should be filed with the PSC in electronic form according to the instructions and guidelines found on the PSC’s Electronic Regulatory Filing (ERF) system web site at http://psc.wi.gov/apps35/erf_public/default.aspx to submit filings to the PSC.

General Information about the ERF system:

- a. To submit filings to the PSC a user must create an account by specifying his or her name, email address, logon id and password.
- b. Individual accounts can be created by clicking on the "Setup Individual Account" hyperlink from the ERF Login Page. Corporate accounts can only be created by the PSC’s Record Management Unit (RMU). Entities must complete a Corporate Electronic Filing Account Request in order to establish an account.
- c. Corporate accounts have been developed to allow an organization (e.g., utility, law firm, accounting firm, intervener, etc.) to identify users who are authorized to file on their behalf. This is an optional service offered to corporate entities to allow them greater security in identifying authorized filers, but such entities are not required to use corporate accounts if individual accounts are satisfactory to them.
- d. The rate case application is in Microsoft Excel and should be filed as an Excel file. Do not convert Excel files to PDF.
- e. Adobe Acrobat is needed to convert other than Excel documents to PDF format.

Abbreviated list of instructions to submit this rate application to the PSC:

- a. Use https://apps.psc.wi.gov/vs2015/ERF_upload/ to submit filings to the PSC.
- b. Type in a valid user name and password.
- c. To submit a new rate case, select the New / Non-Docket entry under File Document heading.
- d. Select the number of files to upload, and specify the utility these documents relate to. When the screen repopulates, click the browse button in row 1 and select the file to upload. Then specify the document type "Application" from the drop down list box and finally enter a meaningful description such as "Rate Increase Application for XYZ Water Utility".
- e. Repeat this for each row on the screen.
- f. Click the Upload Docket Files button to submit the documents.
- g. Once the docket is submitted it will be marked as pending which means that the document has been received by the PSC, but it has not been processed. Staff of RMU will review the documents and approve or reject them. When the filings are processed the submitter will be notified via email. The email will include the document name, type, description, received date and file status. If the filing was rejected, the reason for rejection will be included in the email.
- h. For general questions about the process of electronic filing or instructions on formatting, etc., please contact the Records Management Unit at (608) 261-8521.

Questions regarding the completion of this application can be directed to either of the following:

- a. Kathy Butzlaff at (608) 267-9817 or by E-mail at kathleen.butzlaff@wisconsin.gov
- b. Or call (608) 266-3766 or E-mail at PSCWaterAppMail@wisconsin.gov



Application to Increase Rates
Public Service Commission of Wisconsin
 Division of Water, Telecommunications, and Consumer Affairs
 Hill Farms State Office Building - 6th Floor
 4822 Madison Yards Way

3024 (1-1-2014)

(Filling this form out is in accordance with Wis. Stat. § 196.25)

The Public Service Commission of Wisconsin does not discriminate on the basis of disability in the provision of programs, services, or employment. If you are speech, hearing, or visually impaired and need assistance, call (608) 266-5481 or TTY (608)267-1479. We will try to find another way to get the information to you in a usable form.

Name of Utility:
 McFarland Water and Sewer Utility

Type of rate increase requested:
 Water Sewer Both

Reason for rate increase request:
 Current rates are based on a 2001 test year. Since that time the utility has seen relatively flat sales, increased operating costs, and has continued to invest in system replacements and improvements.

Contact Personnel Information		
	Utility	Consultant
Name	McFarland Water and Sewer Utility	BAKER TILLY VIRCHOW KRAUSE, LLP
Contact Person (1)	Aimee Irwin - Assistant to Public Works Director	Jeff Hurda, CPA, Senior Associate
Contact Person (2)	Jim Hessling - Public Works Director	Jodi Dobson, CPA, Partner
Street or P.O. Box	5115 Terminal Drive	Ten Terrace Court
City and Zip Code	McFarland 53558-0110	Madison 53707
County or Counties	Dane	
Telephone Number (1)	608-838-3153	608-240-6794
Telephone Number (2)		
E-Mail Address	aimee.irwin@mcfarland.com	jeff.hurda@bakertilly.com
Fax Number	608-838-3619	608-249-8532
Best Hours between 7:30 am & 5:00 pm	8 am - 4 pm	8 am - 4 pm
Days Available	M-F	M-F

Mcfarland Water and Sewer Utility

Telephonic Hearing Information

Requests to increase rates require Commission approval. Pursuant to state statutes, a rate increase can only be authorized after public hearing. Municipal utilities are encouraged to hold telephonic hearings. A telephonic hearing is much like a hearing held in Madison except that the utility, Commission staff, the utility's consultant (if applicable), and customers participate via speaker phone from their respective locations. Telephonic hearings are advantageous for both the utility and its customers. Customers have an opportunity to participate with greater ease than afforded by a hearing held at the Commission's offices in Madison. Additionally, the time utility personnel are away from the office is significantly reduced.

In order to participate in a telephonic hearing, the utility must have a location which is handicapped accessible with a capacity of at least 10-15 persons. The utility also needs a speaker phone workable in the room in which the hearing is to be held. FAX and copy machines are also required. The FAX and copiers do not need to be located in the hearing room or even the building in which the hearing is to be held; however, the utility must have ready access. More details will be provided concerning scheduling and administering the telephonic hearing when Commission staff has completed processing your application to increase rates.

Please check one of the following:

- Yes**, the utility can arrange a site for a telephonic hearing, either at the utility or at an alternate site. *(Please specify the site including building name, address, room number, and telephone number for the room in the space below.)*

Mcfarland Municipal Center
Conference Room
5915 Milwaukee St. McFarland, Wisconsin
608-838-7287

- No**, it is not feasible for our utility to host a telephonic hearing. We request that the hearing be scheduled in Madison. *(Please provide your specific reasons in the space below.)*

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Mcfarland Water and Sewer Utility

PART 1:

Provide consumption data for the four largest customers in each customer class.

1. List the billing units consistent with Schedule Mg-1 in your tariff sheets.

100 Cubic Feet (CCF)

2. During the last 12-month period, list the highest consumption billed for each of the four largest customers in each class. Please select four different customers in each class and not multiple bills from the same customer. A customer may be listed more than once only if they are served by more than one meter and the meter sizes are different.

3. List the billing period date that the consumption was billed.

LISTING OF LARGEST CUSTOMERS BILLED						
Customer Name	Class	Meter Size	Billing Date	Billed Consumption	Specify Units	No. of Month(s) of Consumption
Residential 1	Res.	5/8"	7/31/2020	266	CCF	2 months
Residential 2	Res.	5/8"	7/31/2020	241	CCF	2 months
Residential 3	Res.	5/8"	5/31/2020	217	CCF	2 months
Residential 4	Res.	5/8"	7/31/2020	206	CCF	2 months
Multifamily Residential 1	MF	3"	7/31/2020	1,232	CCF	2 months
Multifamily Residential 2	MF	2"	8/31/2019	981	CCF	2 months
Multifamily Residential 3	MF	3"	8/31/2019	976	CCF	2 months
Multifamily Residential 4	MF	2"	9/30/2019	904	CCF	2 months
Commercial 1	Com.	1 1/2"	8/31/2019	2,781	CCF	2 months
Commercial 2	Com.	2"	10/31/2019	2,438	CCF	2 months
Commercial 3	Com.	2"	7/31/2020	976	CCF	2 months
Commercial 4	Com.	2"	8/31/2019	909	CCF	2 months
Industrial 1	Ind.					
Industrial 2	Ind.					
Industrial 3	Ind.					
Industrial 4	Ind.					
Public Authority 1	P.A.	4"	7/31/2020	1,779	CCF	2 months
Public Authority 2	P.A.	2"	8/31/2019	1,477	CCF	2 months
Public Authority 3	P.A.	3"	3/31/2020	423	CCF	2 months
Public Authority 4	P.A.	3"	11/30/2019	387	CCF	2 months
Irrigation 1	Irr.					
Irrigation 2	Irr.					
Irrigation 3	Irr.					
Irrigation 4	Irr.					

PART 2:

Provide information about your billing procedures.

1. How do you send your water bills?

Postcards

2. What is your billing frequency for residential customers?

Other

6

Number of bills per year?

3. How frequently do you read residential customer meters?

Other

Please explain

Bi-Monthly

6

4. Which of the following best describes the manner in which you read meters each billing period?

Meters are read in cycle (one-third of customers are read each month).

Please explain if meters read in cycles:

5. What is the estimated start date for reading meters for your next billing period?

7/14/2020

Mcfarland Water and Sewer Utility

VOLUME SALES

Billing Periods per Year: Actual Latest 12 Months Ending:

Does the utility have class-based volume rates?

Class-based rates are separate rate schedules for residential, multifamily, nonresidential (commercial, industrial, public authority) or irrigation classes

No No
No

	Volume Block	Rate
First	67,000	\$1.99
Next		
Next	-	
Next	-	
Over	67,000	\$1.35

	Residential Units	Multifamily Residential Units	Commercial Units	Industrial Units	Public Authority Units	Irrigation Units	Total
First 67,000	142,754	11,882	14,903	0	2,684	0	172,223
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Over 67,000	133	2,287	8,756	0	2,099	0	13,275
Total Units	142,887	14,169	23,659	0	4,783	0	185,498
Unit Revenues	\$ 284,260	\$ 26,733	\$ 41,478	\$ -	\$ 8,175	\$ -	\$ 360,645

Mcfarland Water and Sewer Utility

VOLUME SALES

Billing Periods per Year: Actual Latest 12 Months Ending:

Does the utility have class-based volume rates?

Class-based rates are separate rate schedules for residential, multifamily, nonresidential (commercial, industrial, public authority) or irrigation classes

No No
No No

	Volume Block	Rate
First	67,000	\$1.99
Next		
Next	-	
Next	-	
Over	67,000	\$1.35

	Residential Units	Multifamily Residential Units	Commercial Units	Industrial Units	Public Authority Units	Irrigation Units	Total
First 67,000	68,734	2,842	7,607	0	1,121	0	80,304
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Over 67,000	10	574	6,072	0	1,401	0	8,057
Total Units	68,744	3,416	13,679	0	2,522	0	88,361
Unit Revenues	\$ 136,794	\$ 6,430	\$ 23,335	\$ -	\$ 4,122	\$ -	\$ 170,682

Mcfarland Water and Sewer Utility

VOLUME SALES

Billing Periods per Year: Actual Latest 12 Months Ending:

Does the utility have class-based volume rates?

Class-based rates are separate rate schedules for residential, multifamily, nonresidential (commercial, industrial, public authority) or irrigation classes

No No
No No

	Volume Block	Rate
First	67,000	\$1.99
Next		
Next	-	
Next	-	
Over	67,000	\$1.35

	Residential Units	Multifamily Residential Units	Commercial Units	Industrial Units	Public Authority Units	Irrigation Units	Total
First 67,000	74,020	9,040	7,296	0	1,563	0	91,919
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Over 67,000	123	1,713	2,684	0	698	0	5,218
Total Units	74,143	10,753	9,980	0	2,261	0	97,137
Unit Revenues	\$ 147,466	\$ 20,302	\$ 18,142	\$ -	\$ 4,053	\$ -	\$ 189,963

SERVICE CHARGES

Billing Periods per Year:		6		Actual Latest 12 Months Ending:			July 31, 2020	
		Residential	Multifamily Residential	Commercial	Industrial	Public Authority	Irrigation	
Meter Size	Charge	Average No. of Meters	Average No. of Meters	Average No. of Meters	Average No. of Meters	Average No. of Meters	Average No. of Meters	Totals
5/8"	\$14.33	3,033	4	157	0	9	0	3,203
3/4"	\$14.33	0	0	0	0	0	0	0
1"	\$25.46	0	21	30	0	5	0	56
1 1/4"	\$33.95	0	0	0	0	0	0	0
1 1/2"	\$37.13	0	25	11	0	3	0	39
2"	\$62.59	0	6	7	0	3	0	16
2 1/2"	\$0.00	0	0	0	0	0	0	0
3"	\$114.58	0	2	0	0	3	0	5
4"	\$165.50	0	0	0	0	1	0	1
6"	\$225.97	0	0	0	0	0	0	0
8"	\$308.72	0	0	0	0	0	0	0
10"	\$355.40	0	0	0	0	0	0	0
12"	\$424.36	0	0	0	0	0	0	0
Total Meters		3,033	58	205	0	24	0	3,320
Fixed Revenues		\$ 260,777	\$ 12,750	\$ 23,161	\$ -	\$ 6,388	\$ -	303,076
Total Volume Revenue		\$ 284,260.01	\$ 26,732.63	\$ 41,477.57	\$ -	\$ 8,174.81	\$ -	\$ 360,645
Surcharges, etc.		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues Per Analysis		\$545,037	\$39,482	\$64,639	\$0	\$14,563	\$0	\$663,721
Total Actual Billed Revenues		\$536,653	\$38,530	\$62,773	\$0	\$14,845	\$0	\$652,801
Dollar Variance		\$8,384	\$952	\$1,866	\$0	(\$282)	\$0	\$10,920
Percent Variance (B)		1.54%	2.41%	2.89%	0.00%	-1.94%	0.00%	1.65%

(A) The annual revenues from meter charges are based upon the number of bills issued annually.

(B) If the percent variance is greater than 3%, the variance must be explained in detail in the Notes, Attachment 19.

Mcfarland Water and Sewer Utility
 Test Year 2021
 Sales Forecast Historical

Attachment 2C

Residential					Commercial				
Year	Avg. # Customers	Usage (Ccf's)	Avg/Cust/Qtr (Ccf's)	Change in Customer Ct	Year	Avg. # Customers	Usage (Ccf's)	Avg/Cust/Qtr (Ccf's)	Change in Customer Ct
2016	2,794	181,666	16.25	0	2016	204	30,818	37.77	0
2017	2,864	179,872	15.70	70	2017	202	32,131	39.77	-2
2018	2,961	178,759	15.09	97	2018	200	30,274	37.84	-2
2019	3,003	182,274	15.17	42	2019	204	31,763	38.93	4
2020	3,096	142,887	11.54	93	2020	216	23,659	27.38	12
2021	3,146	141,458	11.24	50	2021	216	23,659	27.38	0
Averages:					Averages:				
5-year avg	2,944	173,092	14.70	0.00	5-year avg	205	29,729	36.22	0.00
4-year avg	2,981	170,948	14.34	75.50	4-year avg	206	29,457	35.84	3.00
3-year avg	3,020	167,973	13.91	77.33	3-year avg	207	28,565	34.56	4.67
2-year avg	3,050	162,581	13.33	67.50	2-year avg	210	27,711	32.99	8.00
2020	3,096	142,887	11.54	93.00	2020	216	23,659	27.38	12.00

Multifamily Residential					Public Authority				
Year	Avg. # Customers	Usage (Ccf's)	Avg/Cust/Qtr (Ccf's)	Change in Customer Ct	Year	Avg. # Customers	Usage (Ccf's)	Avg/Cust/Qtr (Ccf's)	Change in Customer Ct
2016	54	14,648	67.81	0	2016	21	8,634	102.78	0
2017	54	14,261	66.02	0	2017	21	7,956	94.71	0
2018	69	13,422	48.63	15	2018	20	6,642	83.02	-1
2019	70	14,390	51.39	1	2019	21	9,445	112.44	1
2020	58	14,169	61.07	-12	2020	27	4,783	44.29	6
2021	58	14,169	61.07	0	2021	27	4,783	44.29	0
Averages:					Averages:				
5-year avg	61	14,178	58.11	0.00	5-year avg	22	7,492	85.14	0.00
4-year avg	63	14,061	56.02	1.00	4-year avg	22	7,206	80.97	1.50
3-year avg	66	13,994	53.28	1.33	3-year avg	23	6,957	76.73	2.00
2-year avg	64	14,280	55.78	-5.50	2-year avg	24	7,114	74.11	3.50
2020	58	14,169	61.07	-12.00	2020	27	4,783	44.29	6.00

Irrigation - N/A					Industrial - N/A				
Year	Avg. # Customers	Usage (Ccf's)	Avg/Cust/Qtr (Ccf's)	Change in Customer Ct	Year	Avg. # Customers	Usage (Ccf's)	Avg/Cust/Qtr (Ccf's)	Change in Customer Ct
2016			#DIV/0!	0	2016	0	0	#DIV/0!	0
2017			#DIV/0!	0	2017	0	0	#DIV/0!	0
2018			#DIV/0!	0	2018	0	0	#DIV/0!	0
2019			#DIV/0!	0	2019	0	0	#DIV/0!	0
2020			#DIV/0!	0	2020	0	0	#DIV/0!	0
2021			0.00	0	2021	0	0	0.00	0
Averages:					Averages:				
5-year avg	#DIV/0!	#DIV/0!	#DIV/0!	0.00	5-year avg	0	0	#DIV/0!	0.00
4-year avg	#DIV/0!	#DIV/0!	#DIV/0!	0.00	4-year avg	0	0	#DIV/0!	0.00
3-year avg	#DIV/0!	#DIV/0!	#DIV/0!	0.00	3-year avg	0	0	#DIV/0!	0.00
2-year avg	#DIV/0!	#DIV/0!	#DIV/0!	0.00	2-year avg	0	0	#DIV/0!	0.00
2020	0	0	#DIV/0!	0.00	2020	0	0	#DIV/0!	0.00

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

Mcfarland Water and Sewer Utility

VOLUME SALES

Estimates for Test Year

Billing Periods per Year:

Does the utility have class-based volume rates? **No**

Note: Only change these rates if there has been an SRC or adjustment for purchased water in the last 12 months

	Volume Block	Rate
First	67,000	\$1.99
Next	-	\$0.00
Next	-	\$0.00
Next	-	\$0.00
Over	67,000	\$1.35

	Residential Units	Multifamily Residential Units	Commercial Units	Industrial Units	Public Authority Units	Irrigation Units	Total
First 67,000	141,326	11,882	14,903	0	2,684	0	170,795
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Over 67,000	132	2,287	8,756	0	2,099	0	13,274
Total Units	141,458	14,169	23,659	0	4,783	0	184,069
Unit Revenues	\$ 281,417	\$ 26,733	\$ 41,478	\$ -	\$ 8,175	\$ -	\$ 357,802

Mcfarland Water and Sewer Utility

VOLUME SALES

Estimates for Test Year

Billing Periods per Year:

Does the utility have class-based volume rates? **No**

Note: Only change these rates if there has been an SRC or adjustment for purchased water in the last 12 months

	Volume Block	Rate
First	67,000	\$1.99
Next	-	\$0.00
Next	-	\$0.00
Next	-	\$0.00
Over	67,000	\$1.35

	Residential Units	Multifamily Residential Units	Commercial Units	Industrial Units	Public Authority Units	Irrigation Units	Total
First 67,000	68,047	2,842	7,607	0	1,121	0	79,617
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Over 67,000	10	574	6,072	0	1,401	0	8,057
Total Units	68,057	3,416	13,679	0	2,522	0	87,674
Unit Revenues	\$ 135,426	\$ 6,430	\$ 23,335	\$ -	\$ 4,122	\$ -	\$ 169,314

Mcfarland Water and Sewer Utility

VOLUME SALES

Estimates for Test Year

Billing Periods per Year:

Does the utility have class-based volume rates? **No**

Note: Only change these rates if there has been an SRC or adjustment for purchased water in the last 12 months

	Volume Block	Rate
First	67,000	\$1.99
Next	-	\$0.00
Next	-	\$0.00
Next	-	\$0.00
Over	67,000	\$1.35

	Residential Units	Multifamily Residential Units	Commercial Units	Industrial Units	Public Authority Units	Irrigation Units	Total
First 67,000	73,280	9,040	7,296	0	1,563	0	91,179
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Over 67,000	122	1,713	2,684	0	698	0	5,217
Total Units	73,402	10,753	9,980	0	2,261	0	96,396
Unit Revenues	\$ 145,991	\$ 20,302	\$ 18,142	\$ -	\$ 4,053	\$ -	\$ 188,488

Mcfarland Water and Sewer Utility

WATER UTILITY CONSUMER ANALYSIS

Estimates for Test Year

Billing Periods per Year: 6

Meter Size	Charge	Residential	Multifamily Residential	Commercial	Industrial	Public Authority	Irrigation	Totals
		Average No. of Meters	Average No. of Meters	Average No. of Meters	Average No. of Meters	Average No. of Meters	Average No. of Meters	
5/8"	\$14.33	3,146	4	168	0	12	0	3,330
3/4"	\$14.33	0	0	0	0	0	0	0
1"	\$25.46	0	21	30	0	5	0	56
1 1/4"	\$33.95	0	0	0	0	0	0	0
1 1/2"	\$37.13	0	25	11	0	3	0	39
2"	\$62.59	0	6	7	0	3	0	16
2 1/2"	\$0.00	0	0	0	0	0	0	0
3"	\$114.58	0	2	0	0	3	0	5
4"	\$165.50	0	0	0	0	1	0	1
6"	\$225.97	0	0	0	0	0	0	0
8"	\$308.72	0	0	0	0	0	0	0
10"	\$355.40	0	0	0	0	0	0	0
12"	\$424.36	0	0	0	0	0	0	0
Total Meters		3,146	58	216	0	27	0	3,447
Fixed Revenues		\$ 270,493	\$ 12,750	\$ 24,107	\$ -	\$ 6,646	\$ -	\$ 313,995.42
Total Volume Revenue		\$ 281,417	\$ 26,733	\$ 41,478	\$ -	\$ 8,175	\$ -	\$ 357,802
Surcharges, etc.		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Estimated Revenues		\$551,910	\$39,482	\$65,584	\$0	\$14,821	\$0	\$671,798

Estimated Customer Growth for the Test Year:

Customer Class	Number of Customers	Meter Sizes
Residential	113	5/8"
Multifamily	0	1"
Commercial	11	5/8"
Industrial	0	
Public Auth.	3	5/8"
Irrigation	0	
Total	127	

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

Mcfarland Water and Sewer Utility

PUBLIC FIRE PROTECTION REVENUE (SUMMARY)
 Estimated for Test Year 2021

MUNICIPAL CHARGE		
Based upon Mains and Hydrants:		
Estimated Test Year Revenue	(Per Attachment 5)	\$338,539
MUNICIPAL CHARGE		
Based upon a Flat Charge to Municipality:		
Estimated Test Year Revenue		\$0
DIRECT CHARGE TO CUSTOMERS		
Based upon Equivalent Meters or Equivalent Services:		
Estimated Test Year Revenue	(Per Attachment 5)	\$0
DIRECT CHARGE TO CUSTOMERS		
Based upon a Direct Charge Method other than in number 3 above:		
Estimated Test Year Revenue		
Note: Detail Must be Submitted to PSC Supporting this Method.		
CHARGES TO WHOLESALE CUSTOMERS		
Estimated Test Year Revenue	(Per attachment 3A)	\$0
OTHER PUBLIC FIRE PROTECTION CHARGES TO CUSTOMERS FOR FIRE PROTECTION		
Based upon Charges for Water Used for Fire Protection (i.e., using Tariff Schedules F-2 or BW-1)		
Estimated Test Year Revenue		\$0
TOTAL ESTIMATED TEST YEAR PUBLIC FIRE PROTECTION REVENUE		<u>\$338,539</u>
TOTAL ESTIMATED TEST YEAR WHOLESALE FIRE PROTECTION REVENUE		<u>\$0</u>

Mcfarland Water and Sewer Utility

PUBLIC FIRE PROTECTION REVENUE (SUPPORTING DETAIL)
Estimated for Test Year 2021

Municipal Charge

If Public Fire Protection Revenue is a Municipal Charge based upon mains and/or hydrants, complete the following. Base charges and units are obtained from the current green tariff sheet, typically Schedule F-1.

Base annual charge (dollars)	\$269,657
Base estimated transmission and distribution main (number of feet)	
Main size larger than (typically 4 or 6 inches)	
Charge per foot of main over base (dollars)	
Base number of hydrants	413
Charge per hydrant over base (dollars)	\$682.00

Based upon Mains and/or Hydrants:	Mains Inches & Larger	Number of Hydrants	Dollar Amount
Base Units and Charge (Per tariff schedule)	0 feet	413 hyd	\$269,657
Balance - 12/31/2019	<input type="text" value="0"/>	<input type="text" value="511"/>	
2020 NET additions	913	2	
1/2 of test year 2021 NET Routine units added	250	1	
All of Test Year 2021 Major Units Added	0	0	
Test Year Average Units	<u>1,163</u>	<u>514</u>	
Test Year Units Over Base Units	1,163 feet	101 hyd	
times Authorized Rates per Unit (per tariff schedule)	<u>\$0.00</u>	<u>\$682.00</u>	
Increase in Revenue Over Base Amount	<u>\$0</u>	<u>\$68,882</u>	<u>\$68,882</u>
Estimated Total Test Year Revenue			\$338,539

Direct Charge to Customers

Based upon Equivalent Meters or Equivalent Services:

Insert Billings per Year if Different	<input type="text" value="6"/>
---------------------------------------	--------------------------------

Meter Size	Authorized Rate	Average No. of Meters (per Attachment 3)	Annual Revenue
5/8"	\$0.00	3,330	\$0
3/4"	\$0.00	0	\$0
1"	\$0.00	56	\$0
1 1/4"	\$0.00	0	\$0
1 1/2"	\$0.00	39	\$0
2"	\$0.00	16	\$0
2 1/2"	\$0.00	0	\$0
3"	\$0.00	5	\$0
4"	\$0.00	1	\$0
6"	\$0.00	0	\$0
8"	\$0.00	0	\$0
10"	\$0.00	0	\$0
12"	\$0.00	0	\$0
SUBTOTALS		<u>3,447</u>	<u>\$0</u>
Surcharges or Rounding			<input type="text" value="\$0"/>
CALCULATED ANNUAL REVENUE			<u>\$0</u>

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

Mcfarland Water and Sewer Utility

PRIVATE FIRE PROTECTION REVENUE

Estimated for Test Year 2021

Insert Billings per Year if Different		6			
Fire Connections:	Connection Size	Average Number of Connections Each Billing	Annually	Authorized Rates	Annual Revenue
	2" or smaller	9	54	\$14.00	\$756
	3"	0	0	\$26.00	\$0
	4"	5	30	\$43.00	\$1,290
	6"	42	252	\$86.00	\$21,672
	8"	13	78	\$137.00	\$10,686
	10"	2	12	\$205.00	\$2,460
	12"	0	0	\$299.00	\$0
	14"	0	0	\$0.00	\$0
	16"	0	0	\$0.00	\$0
			71	426	
Total Connection Revenue					\$36,864
General Service Branches Off The Private Fire Connections	Meter Sizes	Average Number of Meters Each Billing	Annually	Authorized Rates	Annual Amount
	5/8"	0	0	\$14.33	\$0
	3/4"	0	0	\$14.33	\$0
	1"	0	0	\$25.46	\$0
	1 1/4"	0	0	\$33.95	\$0
	1 1/2"	0	0	\$37.13	\$0
	2"	0	0	\$62.59	\$0
	2 1/2"	0	0	\$0.00	\$0
	3"	0	0	\$114.58	\$0
	4"	0	0	\$165.50	\$0
	6"	0	0	\$225.97	\$0
8"	0	0	\$308.72	\$0	
		0	0		
Total General Branch Connection Revenues					\$0
If Applicable, the Authorized Credit is Usually 30% of Total General Branch Revenues. (However, the credit may be at a different percentage or if N/A, enter zero)					
Insert Authorized Credit Percentage in this box (if applicable):					\$0
Total Estimated Test Year Revenue (Connection Revenue less Credit Amount)					<u>\$36,864</u>

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

Mcfarland Water and Sewer Utility

OPERATING REVENUES
Estimated for Test Year 2021

Account Number	Description	2017	2018	2019	Estimated 2020	Test Year 2021
460	Unmetered Sales to General Customers					
	Residential	\$471	\$1,964	\$3,405	\$0	\$0
	Multifamily Residential	0	0	0	0	0
	Commercial	0	0	0	0	0
	Industrial	0	0	0	0	0
	Public Authority	0	0	0	0	0
	Irrigation	0	0	0	0	0
	Total unmetered sales	\$471	\$1,964	\$3,405	\$0	\$0
461	Metered Sales to General Customers					
	Residential	\$494,129	\$498,323	\$514,420	\$551,910	\$551,910 (A)
	Multifamily Residential	37,017	33,361	39,175	39,482	39,482 (A)
	Commercial	63,963	61,109	63,598	65,584	65,584 (A)
	Industrial	0	0	0	-	0 (A)
	Public Authority	16,098	15,825	15,877	14,821	14,821 (A)
	Irrigation	0	0	0	-	0 (A)
	Total metered sales	\$611,207	\$608,618	\$633,070	\$671,798	\$671,798
462	Private fire protection service	\$34,494	\$34,491	\$35,527	\$36,864	\$36,864 (B)
463	Public fire protection service	313,200	313,250	325,092	338,539	338,539 (C)
465	Other water sales	0	0	0	-	0
466	Sales for resale	0	0	0	-	0
467	Interdepartmental sales	0	0	0	-	0
	Total sales of water	\$959,372	\$958,323	\$997,094	\$1,047,201	\$1,047,201
	Other Operating Revenues:					
470	Forfeited discounts	\$4,995	\$5,242	\$4,143	\$0	\$0
472	Rents from water property	106,179	92,906	85,595	100,609	102,319
473	Interdepartmental rents	0	0	0	0	0
474	Other water revenues	8,400	9,099	9,160	9,651	9,815
	Total other operating revenues	\$119,574	\$107,247	\$98,898	\$110,260	\$112,134
	Total Operating Revenues	\$1,078,946	\$1,065,570	\$1,095,992	\$1,157,461	\$1,159,335

NOTE: (A) 2021 test year General Service Revenue estimates must come from ATTACHMENT 3.
 (B) 2021 test year Private Fire Protection Revenue estimates must come from ATTACHMENT 6.
 (C) 2021 test year Public Fire Protection Revenue estimates must come from ATTACHMENT 4.

Mcfarland Water and Sewer Utility

Taxes (Account 408)
Estimated for Test Year 2021

Instructions for Taxes (Account 408)

The summary should be completed as follows:

- 1) For the years 2018 and 2019 the information is from the PSC Annual Reports, page W-6.
- 2) For Estimated 2020 and Test Year 2021, the Property Tax Equivalent must agree with the Property Tax Equivalent Computation on Attachment 9.
- 3) If the sewer department DOES NOT USE the meter reading of the water utility for determining the sewer bill, then the Meter Balance allocation should not be deducted. **Insert if other than 50%. ==>**

50

Description	Instructions Reference	Actual 2018	Actual 2019	Estimated 2020	Test Year 2021
Property Tax Equivalent Payable for the Year (from Attachment 9)	1) & 2)	\$249,143	\$262,659	\$286,488	\$312,737
Less: Local and school tax equivalent on meters charged to sewer dept.	1) & 3)	\$6,373	\$6,167	\$6,713	\$6,943
Net Property Tax Equivalent-Water Utility		\$242,770	\$256,492	\$279,775	\$305,794
Social Security Taxes	1)	\$13,218	\$11,449	\$11,552	\$11,748
PSC Remainder Assessment Tax	1)	\$1,082	\$1,025	\$1,034	\$1,052
Other (specify):	1)	\$0	\$0	\$0	\$0
Total Taxes		\$257,070	\$268,966	\$292,361	\$318,595

Mcfarland Water and Sewer Utility
Property Tax Equivalent Computation
 Estimated for Test Year 2021

Instructions (Instr.) for the Property Tax Equivalent Computation

1. For the years 2018-2019, use actual information reported in the PSC Annual Reports.
2. For estimated 2020 and test year 2021:
 - a) Plant - January 1 must come from Attachment 11 (Utility/Municipal Financed Plant) and Attachment 11a (Contributed Plant).
 - b) Major Plant Additions (Both Utility Financed and Contributed) are included for the Test Year for rate case purposes.
 - c) Construction Work In Progress (CWIP) and Plant Held for Future Use - January 1; excluding any amounts included as Major Plant Additions in Test Year.
 - d) Materials and Supplies - January 1 must come from Attachment 13.
 - e) Plant Outside Limits-January 1 - State the basis for any change from prior year.
 - f) The utility must state what assumptions it made with regard to projecting the tax rates and assessment ratio.
3. If the municipality has authorized an amount as allowed by Wis. Stat. § 66.0811(2) [formerly § 66.069 (1)(c)], then place that amount on this line. If no authorization, leave blank.
4. If the municipality has authorized an amount as allowed by Wis. Stat. § 66.0811(2), then that amount is the tax equivalent payable for the current year. If not, then the tax equivalent payable for the current year is the larger of either the tax equivalent computed for the current year or the 1994 tax equivalent payable in 1995.
5. The property tax equivalent is not applicable to Water Sanitary Districts.

Description	Instr.	Actual 2018	Actual 2019	Estimated 2020	Test Year 2021
Add:					
Utility Plant - January 1	1	\$13,800,817	\$15,628,234		
Utility/Municipal Financed Plant - January 1	2a)			\$9,745,679	\$10,361,279
Contributed Plant - January 1	2a)			\$6,449,640	\$6,745,340
Major Plant Additions in Test Year	2b)				\$0
CWIP & Held for Future Use - January 1	2c)			\$224,112	\$224,112
Materials & Supplies - January 1	1,2d)	\$19,450	\$19,450	\$19,450	\$19,450
Less: Plant Outside Limits - January 1	1,2e)	\$0	\$0	\$0	\$0
Net Taxable Plant		\$13,820,267	\$15,647,684	\$16,438,881	\$17,350,181
Assessment Ratio (show as a decimal)	1,2f)	1.0073	0.9690	0.9971	1.0140
Assessed Plant Value		\$13,921,652	\$15,162,434	\$16,390,484	\$17,593,186
Current Year Net Local & Schools (L&S)					
Mill Rate (Line R below)	1,2f)	17.896116	17.323000	17.478907	17.776048
Tax Equivalent Computed for the Current Year (Plant Value times L&S Rate/1000)	1,3	\$249,144	\$262,659	\$286,488	\$312,737
1994 Tax Equivalent Payable in 1995	1	\$78,428	\$78,428	\$78,428	\$78,428
Tax Equivalent Authorized by Municipality	1,3	\$0	\$0		
Tax Equivalent Payable for the Current Year	1,4	\$249,143	\$262,659	\$286,488	\$312,737

Mill Rate Detail	Line Ref.	Actual 2018 Total	Actual 2019 Total	Estimated 2020 Total	Test Year 2021 Total
State tax rate	(A)	0.000000	0.000000	0.000000	0.000000
County tax rate	(B)	2.944760	0.000000	0.000000	0.000000
Local tax rate	(C)	6.768410	6.490300	6.548713	6.660041
School tax rate	(D)	11.892530	11.530700	11.634476	11.832262
Voc. school tax rate	(E)	0.902970	0.911500	0.919704	0.935338
Other tax rates-Local	(F1)	0.000000	0.000000	0.000000	0.000000
Other tax rates-Non-Local	(F2)	0.000000	0.000000	0.000000	0.000000
Total Tax Rate	(G)	22.508670	18.932500	19.102893	19.427642
Less: State Credit	(H)	1.918830	1.609500	1.623986	1.651593
Net Tax Rate	(I)	20.589840	17.323000	17.478907	17.776048
Local tax rate (Line C above)	(J)	6.768410	6.490300	6.548713	6.660041
School tax rate (Line D above)	(K)	11.892530	11.530700	11.634476	11.832262
Voc. school tax rate (Line E above)	(L)	0.902970	0.911500	0.919704	0.935338
Other tax rates-Local (Line F1 above)	(M)	0.000000	0.000000	0.000000	0.000000
Total local & schools tax rates	(N)	19.563910	18.932500	19.102893	19.427642
Total tax rate (Line G above)	(O)	22.508670	18.932500	19.102893	19.427642
Ratio of local & school tax rate to total tax rate (Line N divided by O)	(P)	86.917219%	100.000000%	100.000000%	100.000000%
Net Tax Rate (Line I above)	(Q)	20.589840	17.323000	17.478907	17.776048
Net local and school rate: (Line P times Q)	(R)	17.896116	17.323000	17.478907	17.776048

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

OPERATING EXPENSES
Estimated for Test Year 2021

Acct. No.	Description	2017	2018	2019	2017, 2018, 2019			Estimated 2020	Test Year 2021
					Estimated 2020	Test Year 2021	3 Year Average		
600	Operation labor	\$0	\$0	\$0	\$0	\$0	\$0		
601	Purchased water	0	0	0	0	0	0		
602	Operation supplies and expenses	0	0	0	0	0	0		
605	Maintenance of water source plant	0	0	0	0	0	0		
	Total Source of Supply Expenses	\$0	\$0	\$0	\$0	\$0	\$0		
620	Operation labor	\$30,344	\$33,674	\$12,749	\$8,480	\$8,624	\$25,589	Explain	Explain
621	Fuel for power production	0	0	0	0	0	0		
622	Fuel or power purchased for pumping	36,195	37,973	41,464	37,244	37,877	38,544		
623	Operation supplies and expenses	5,368	4,434	32,199	11,163	11,353	14,000	Explain	Explain
625	Maintenance of pumping plant	42	3,116	4,334	4,758	4,839	2,497	Explain	Explain
	Total Pumping Expenses	\$71,949	\$79,197	\$90,746	\$61,645	\$62,693	\$80,631		
630	Operation labor	\$2,578	\$3,382	\$16,475	\$15,735	\$16,002	\$7,478	Explain	Explain
631	Chemicals	10,567	11,326	11,726	13,059	13,281	11,206	Explain	Explain
632	Operation supplies and expenses	0	0	0	0	0	0		
635	Maintenance of water treatment plant	4,031	1,546	587	493	501	2,055	Explain	Explain
	Total Water Treatment Expenses	\$17,176	\$16,254	\$28,788	\$29,287	\$29,784	\$20,739		
640	Operation labor	\$30,628	\$37,734	\$7,509	\$7,172	\$7,294	\$25,290	Explain	Explain
641	Operation supplies and expenses	4,402	3,588	2,425	8,035	8,171	3,472	Explain	Explain
650	Maintenance of distr. reservoirs	0	0	0	79,047	79,047	0		
651	Maintenance of mains	29,414	28,816	49,614	35,261	35,860	35,948		
652	Maintenance of services	13,223	8,078	8,359	8,017	8,154	9,887	Explain	Explain
653	Maintenance of meters	1,092	512	6,356	2,162	2,199	2,653	Explain	Explain
654	Maintenance of hydrants	13,793	14,959	7,337	12,030	12,030	12,030		
655	Maintenance of other plant	0	0	414	248	252	138	Explain	Explain
	Total Trans. & Distribution Expenses	\$92,552	\$93,687	\$82,014	\$151,972	\$153,007	\$89,418		

OPERATING EXPENSES
Estimated for Test Year 2021

Acct. No.	Description	2017	2018	2019	2017, 2018, 2019			Estimated 2020	Test Year 2021
					Estimated 2020	Test Year 2021	3 Year Average		
901	Meter reading labor	\$1,211	\$1,087	\$2,084	\$1,021	\$1,470	\$1,461	Explain	
902	Accounting and collecting labor	10,748	4,081	9,816	40,911	6,503	11,000		

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

903	Supplies and expenses	1,713	3,227	37	3,112	3,165	1,659	<u>Explain</u>	<u>Explain</u>
904	Uncollectible accounts	0	0	0	0	0	0		
906	Customer service and informational expense	0	0	0	4,800	7,200	0		
	Total Customer Accounts Expenses	\$21,689	\$8,695	\$10,437	\$19,447	\$22,528	\$13,607		
910	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0		
920	Administrative and general salaries	\$62,569	\$91,439	\$101,891	\$92,212	\$93,780	\$85,300		
921	Office supplies and expenses	4,839	5,140	15,243	11,643	11,841	8,407	<u>Explain</u>	<u>Explain</u>
922	Administrative expenses transferred -- credit	0	0	0	0	0	0		
923	Outside services employed	29,455	22,947	37,788	60,003	61,023	30,063	<u>Explain</u>	<u>Explain</u>
924	Property insurance	55,515	62,701	72,648	96,618	98,260	63,621	<u>Explain</u>	<u>Explain</u>
925	Injuries and damages	0	0	0	0	0	0		
926	Employee pensions and benefits	36,282	25,111	11,724	15,658	15,874	24,372	<u>Explain</u>	<u>Explain</u>
928	Regulatory commission expenses	0	0	0	0	8,000	0		
930	Miscellaneous general expenses	56,810	48,555	51,087	50,541	51,401	52,151		
933	Transportation expenses	17,106	20,528	13,599	21,491	21,856	17,078	<u>Explain</u>	<u>Explain</u>
935	Maintenance of general plant	0	0	0	0	0	0		
	Total Admin. And General Expenses	\$262,576	\$276,421	\$303,980	\$348,166	\$362,035	\$280,992		
	Total Oper. And Maint. Expenses	\$465,942	\$474,254	\$515,965	\$610,517	\$630,047	\$485,387		

NOTE: All 2020 and test year 2021 estimates that vary from the three year average by more than (plus or minus) 15 percent **must** be explained in detail in the Notes.

Mcfarland Water and Sewer Utility

UTILITY PLANT IN SERVICE
Estimated for Test Year 2021
Utility or Municipal Financed Transactions Only

Acct. No.	Plant account	Actual Balance 12/31/2019	Estimated 2020			Estimated Balance 12/31/2020	Estimate 2021				Estimated Balance 12/31/2021	Test Year Average Balance
			Additions	Retirements	Adjustments		Major Construction		Routine Construction			
			Notes (A,B)	Note (B)		Notes (A,B)	Note (B)	Notes (A,B)	Note (B)			
<u>Intangible Plant</u>												
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises and consents	0	0	\$0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	\$0	0	0	0	0	0	0	0	0
	Total Intangible Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Source of Supply</u>												
310	Land and land rights	\$1,300	\$0	\$0	\$0	\$1,300	\$0	\$0	\$0	\$0	\$1,300	\$1,300
311	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0	0	0	0	0
313	Lake, river, and other intakes	0	0	0	0	0	0	0	0	0	0	0
314	Wells and springs	211,239	35,000	14,300	0	231,939	0	0	0	0	231,939	231,939
316	Supply mains	0	0	0	0	0	0	0	0	0	0	0
317	Other water source plant	0	0	0	0	0	0	0	0	0	0	0
	Total Source of Supply Plant	\$212,539	\$35,000	\$14,300	\$0	\$233,239	\$0	\$0	\$0	\$0	\$233,239	\$233,239
<u>Pumping Plant</u>												
320	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321	Structures and improvements	145,092	77,000	29,400	0	192,692	0	0	0	0	192,692	192,692
323	Other power production equipment	0	0	0	0	0	0	0	0	0	0	0
325	Electric pumping equipment	190,401	0	0	0	190,401	0	0	0	0	190,401	190,401
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	22,216	0	0	0	22,216	0	0	0	0	22,216	22,216
	Total Pumping Plant	\$357,709	\$77,000	\$29,400	\$0	\$405,309	\$0	\$0	\$0	\$0	\$405,309	\$405,309
<u>Water Treatment Plant</u>												
330	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331	Structures and improvements	0	0	0	0	0	0	0	0	0	0	\$0
332	Sand or Other Media Filtration Equip	0	0	0	0	0	0	0	0	0	0	\$0
333	Membrane Filtration Equipment	0	0	0	0	0	0	0	0	0	0	\$0
334	Other Water Treatment Equipment	4,498	0	0	0	4,498	0	0	0	0	4,498	\$4,498
	Total Water Treatment Plant	\$4,498	\$0	\$0	\$0	\$4,498	\$0	\$0	\$0	\$0	\$4,498	\$4,498

Mcfarland Water and Sewer Utility

UTILITY PLANT IN SERVICE
Estimated for Test Year 2021
Utility or Municipal Financed Transactions Only

Acct. No.	Plant account	Actual Balance 12/31/2019	Estimated 2020			Estimated Balance 12/31/2020	Estimate 2021				Estimated Balance 12/31/2021	Test Year Average Balance
			Additions	Retirements	Adjustments		Major Construction		Routine Construction			
			Notes (A,B)	Note (B)		Notes (A,B)	Note (B)	Notes (A,B)	Note (B)			
<u>Transmission and Distribution Plant</u>												
340	Land and land rights	\$45,250	\$0	\$0	\$0	\$45,250	\$0	\$0	\$0	\$0	\$45,250	\$45,250
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	749,286	0	0	0	749,286	0	0	0	0	749,286	749,286
343	Transmission and distribution mains	5,642,093	550,000	16,800	0	6,175,293	0	0	285,500	9,100	6,451,693	6,313,493
345	Services	976,198	0	0	0	976,198	0	0	0	0	976,198	976,198
346	Meters	770,364	0	0	0	770,364	0	0	0	0	770,364	770,364
348	Hydrants	507,209	0	0	0	507,209	0	0	0	0	507,209	507,209
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

Total Transmission and Distr. Plant		\$8,690,400	\$550,000	\$16,800	\$0	\$9,223,600	\$0	\$0	\$285,500	\$9,100	\$9,500,000	\$9,361,800
General Plant												
389	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0
391	Office furniture and equipment	0	0	0	0	0	0	0	0	0	0	0
391.1	Office furniture & equip - Computers	9,946	2,500	2,300	0	10,146	0	0	2,500	2,300	10,346	10,246
392	Transportation equipment	171,538	40,000	34,100	0	177,438	0	0	162,750	150,300	189,888	183,663
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0
394	Tools, shop and garage equipment	48,767	28,000	20,000	0	56,767	0	0	0	0	56,767	56,767
395	Laboratory equipment	6,649	0	0	0	6,649	0	0	0	0	6,649	6,649
396	Power operated equipment	70,910	0	0	0	70,910	0	0	0	0	70,910	70,910
397	Communication equipment	172,421	0	0	0	172,421	0	0	0	0	172,421	172,421
397.1	SCADA equipment	0	0	0	0	0	0	0	0	0	0	0
398	Miscellaneous equipment	302	0	0	0	302	0	0	0	0	302	302
Total General Plant		\$480,533	\$70,500	\$56,400	\$0	\$494,633	\$0	\$0	\$165,250	\$152,600	\$507,283	\$500,958
Total Plant In Service		\$9,745,679	\$732,500	\$116,900	\$0	\$10,361,279	\$0	\$0	\$450,750	\$161,700	\$10,650,329	\$10,505,804

Notes:

- (A) If any Plant Additions require Construction Approval by the PSC, a request for approval must be submitted to the Commission for this rate increase application to be processed. Please list the construction docket number(s):
- (B) Do not include Plant financed by Contributions. Contributed Plant is shown in Attachment 11a.

Please enter the construction docket(s) below:

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Mcfarland Water and Sewer Utility
Contributed Plant
 Estimated for Test Year 2021
 Contributed Plant Transactions Only

Acct. No.	Plant account	Actual Contributed Plant 12/31/2019	Estimated 2020			Estimated Balance 12/31/2020	Estimate 2021				Estimated Balance 12/31/2021
			Additions Note (A)	Retirements	Adjustments		Major Construction Note (A)		Routine Construction Note (A)		
<u>Intangible Plant</u>											
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0
Total Intangible Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Source of Supply</u>											
310	Land and land rights	\$31,000	\$0	\$0	\$0	\$31,000	\$0	\$0	\$0	\$0	\$31,000
311	Structures and improvements	0	0	0	0	0	0	0	0	0	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0	0	0	0
313	Lake, river, and other intakes	0	0	0	0	0	0	0	0	0	0
314	Wells and springs	0	0	0	0	0	0	0	0	0	0
316	Supply mains	0	0	0	0	0	0	0	0	0	0
317	Other water source plant	0	0	0	0	0	0	0	0	0	0
Total Source of Supply Plant		\$31,000	\$0	\$0	\$0	\$31,000	\$0	\$0	\$0	\$0	\$31,000
<u>Pumping Plant</u>											
320	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321	Structures and improvements	0	0	0	0	0	0	0	0	0	0
323	Other power production equipment	0	0	0	0	0	0	0	0	0	0
325	Electric pumping equipment	0	0	0	0	0	0	0	0	0	0
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	0	0	0	0	0	0	0	0	0	0
Total Pumping Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Water Treatment Plant</u>											
330	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331	Structures and improvements	0	0	0	0	0	0	0	0	0	0
332	Sand and other media filtration Equip	0	0	0	0	0	0	0	0	0	0
333	Membrane Filtration Equipment	0	0	0	0	0	0	0	0	0	0
334	Other Water Treatment Equipment	0	0	0	0	0	0	0	0	0	0
Total Water Treatment Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Mcfarland Water and Sewer Utility
Contributed Plant
 Estimated for Test Year 2021
 Contributed Plant Transactions Only

Acct. No.	Plant account	Actual Contributed Plant 12/31/2019	Estimated 2020			Estimated Balance 12/31/2020	Estimate 2021				Estimated Balance 12/31/2021
			Additions Note (A)	Retirements	Adjustments		Major Construction Note (A)		Routine Construction Note (A)		
<p>Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions</p>											

340	Land and land rights	\$10,000	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	481,819	0	0	0	481,819	0	0	0	0	481,819
343	Transmission and distribution mains	4,365,152	305,000	9,300	0	4,660,852	0	0	0	0	4,660,852
345	Services	960,394	0	0	0	960,394	0	0	0	0	960,394
346	Meters	0	0	0	0	0	0	0	0	0	0
348	Hydrants	600,175	0	0	0	600,175	0	0	0	0	600,175
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0
Total Transmission and Distr. Plant		\$6,417,540	\$305,000	\$9,300	\$0	\$6,713,240	\$0	\$0	\$0	\$0	\$6,713,240
<u>General Plant</u>											
389	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390	Structures and improvements	0	0	0	0	0	0	0	0	0	0
391	Office furniture and equipment	0	0	0	0	0	0	0	0	0	0
391.1	Office furniture & equip - Computers	0	0	0	0	0	0	0	0	0	0
392	Transportation equipment	0	0	0	0	0	0	0	0	0	0
393	Stores equipment	0	0	0	0	0	0	0	0	0	0
394	Tools, shop and garage equipment	0	0	0	0	0	0	0	0	0	0
395	Laboratory equipment	0	0	0	0	0	0	0	0	0	0
396	Power operated equipment	0	0	0	0	0	0	0	0	0	0
397	Communication equipment	1,100	0	0	0	1,100	0	0	0	0	1,100
397.1	SCADA equipment	0	0	0	0	0	0	0	0	0	0
398	Miscellaneous equipment	0	0	0	0	0	0	0	0	0	0
Total General Plant		\$1,100	\$0	\$0	\$0	\$1,100	\$0	\$0	\$0	\$0	\$1,100
Total		\$6,449,640	\$305,000	\$9,300	\$0	\$6,745,340	\$0	\$0	\$0	\$0	\$6,745,340

Note:

- (A) If any of the additions listed above require that Construction Approval be obtained from the PSC, such approval must have been sought in order for this rate increase application to be processed.

NOTE: Construction Approval is required for Contributed Plant as well as Plant Financed by the Utility and Municipality.

Please list the construction docket(s) below:

Mcfarland Water and Sewer Utility
DEPRECIATION ACCRUAL AND EXPENSE
 Estimated for Test Year 2021

- A. The Estimated 2020 Depreciation Accrual in Column (A) is to be calculated based upon the current depreciation rates.
 B. The Test Year 2021 Depreciation Accrual in Column (B) is to be based upon the PSC Recommended Depreciation Benchmark Rates (revised March 2, 2000) or upon the Utility Proposed Rates for the test year.

Acct. No.	Plant account	Depr. Rate (A)	Estimated 2020 (per Attach. 11)		Depr. Rate (B)	Average Depreciable Balance		Test Year 2021 (per Attachment 11)		Test Year Total
			Avg. Depreciable Balance	Depreciation Accrual		Major	Routine	Depreciation Accrual Major	Routine	
301-303	Total Intangible Plant	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<u>Source of Supply</u>									
310	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
311	Structures and improvements	0.00%	\$0	\$0	3.20%	\$0	\$0	\$0	\$0	\$0
312	Collecting and impounding reservoirs	0.00%	\$0	0	1.70%	0	0	0	0	0
313	Lake, river, and other intakes	0.00%	\$0	0	1.70%	0	0	0	0	0
314	Wells and springs	2.90%	\$221,589	6,426	2.90%	0	231,939	0	6,726	6,726
316	Supply mains	0.00%	\$0	0	1.80%	0	0	0	0	0
317	Other water source plant	0.00%	\$0	0	4.50%	0	0	0	0	0
	Total Source of Supply Plant			\$6,426						\$6,726
	<u>Pumping Plant</u>									
320	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
321	Structures and improvements	3.20%	\$168,892	\$5,405	3.20%	\$0	\$192,692	\$0	\$6,166	\$6,166
323	Other power production equipment	0.00%	\$0	0	4.40%	0	0	0	0	0
325	Electric pumping equipment	4.40%	\$190,401	8,378	4.40%	0	190,401	0	8,378	8,378
326	Diesel pumping equipment	0.00%	\$0	0	4.40%	0	0	0	0	0
328	Other pumping equipment	4.40%	\$22,216	978	4.40%	0	22,216	0	978	978
	Total Pumping Plant			\$14,761						\$15,522
	<u>Water Treatment Plant</u>									
330	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
331	Structures and improvements	0.00%	\$0	\$0	3.20%	\$0	\$0	\$0	\$0	\$0
332	Sand or Other Media Filtration Equip	0.00%	\$0	0	3.30%	0	0	0	0	0
333	Membrane Filtration Equipment	0.00%	\$0	0	6.00%	0	0	0	0	0
334	Other Water Treatment Equipment	6.00%	\$4,498	270	6.00%	0	4,498	0	270	270
	Total Water Treatment Plant			\$270						\$270

Mcfarland Water and Sewer Utility
DEPRECIATION ACCRUAL AND EXPENSE
 Estimated for Test Year 2021

Acct. No.	Plant account	Depr. Rate (A)	Estimated 2020 (per Attach. 11)		Depr. Rate (B)	Average Depreciable Balance		Test Year 2021 (per Attachment 11)		Test Year Total
			Avg. Depreciable Balance	Depreciation Accrual		Major	Routine	Depreciation Accrual Major	Routine	
	<u>Transmission and Distribution Plant</u>									
340	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
341	Structures and improvements	6.00%	\$0	\$0	3.20%	\$0	\$0	\$0	\$0	\$0

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

342	Distribution reservoirs and standpipes	1.90%	\$749,286	14,236	1.90%	0	749,286	0	14,236	14,236
343	Transmission and distribution mains	1.30%	\$5,908,693	76,813	1.30%	0	6,313,493	0	82,075	82,075
345	Services	2.90%	\$976,198	28,310	2.90%	0	976,198	0	28,310	28,310
346	Meters	5.50%	\$770,364	42,370	5.50%	0	770,364	0	42,370	42,370
348	Hydrants	2.20%	\$507,209	11,159	2.20%	0	507,209	0	11,159	11,159
349	Other transmission and distr. plant	0.00%	\$0	0	5.00%	0	0	0	0	0
Total Transmission and Distr. Plant				<u>\$172,888</u>					<u>\$178,150</u>	
General Plant										
389	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
390	Structures and improvements	0.00%	\$0	\$0	2.90%	\$0	\$0	\$0	\$0	\$0
391	Office furniture and equipment	0.00%	\$0	0	5.80%	0	0	0	0	0
391.1	Office furniture & equip - Computers	26.70%	\$10,046	2,682	26.70%	0	10,246	0	2,736	2,736
392	Transportation equipment	13.30%	\$174,488	23,207	13.30%	0	183,663	0	24,427	24,427
393	Stores equipment	0.00%	\$0	0	5.80%	0	0	0	0	0
394	Tools, shop and garage equipment	5.80%	\$52,767	3,060	5.80%	0	56,767	0	3,292	3,292
395	Laboratory equipment	5.80%	\$6,649	386	5.80%	0	6,649	0	386	386
396	Power operated equipment	7.50%	\$70,910	5,318	7.50%	0	70,910	0	5,318	5,318
397	Communication equipment	9.20%	\$172,421	15,863	15.00%	0	172,421	0	25,863	25,863
397.1	SCADA equipment	0.00%	\$0	0	9.20%	0	0	0	0	0
398	Miscellaneous equipment	5.80%	\$302	18	5.80%	0	302	0	18	18
Total General Plant				<u>\$50,534</u>					<u>\$62,040</u>	
Total			<u>\$10,002,431</u>	<u>\$244,879</u>		<u>\$0</u>	<u>\$10,459,254</u>	<u>\$0</u>	<u>\$262,708</u>	<u>\$262,708</u>
Miscellaneous Credits (Charges) to Accrual				<u>\$0</u>					<u>\$0</u>	<u>\$0</u>
Estimated Depreciation Accrual (To Attachment 13)==>				\$244,879					(To Attachment 13)==>	\$262,708
Meter depr. allocated to sewer (deduction)				(21,185)	50 % <=Change if different allocation to sewer				(21,185)	
Adjustments & Depreciation charged clearing accounts, etc: add (deduct):				0					0	
(Specify)				0					0	
(Specify)				0					0	
Estimated Depreciation Expense			<u>\$223,694</u>	Test Year Depreciation Expense (To Attachment 14)==>				<u>\$241,523</u>		

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

Mcfarland Water and Sewer Utility

Estimated for Test Year 2021

Accumulated Depreciation (Account 111.1)				Major Projects	Routine	Total	Test Year Average Balance
January 1, 2020 Balance	(Estimated)					\$3,154,834	
Add: Annual Accrual	(per Attachment 12)	(A)				244,879	
Salvage	(Estimated)			\$0		0	
Less: Retirements	(per Attachment 11)	(B)				116,900	
Cost of Removal	(Estimated)			\$0		0	
Adjustments	increase (decrease)	(C)		0		0	
December 31, 2020 Balance	(Estimated)					\$3,282,813	\$3,282,813
Add: Annual Accrual	(per Attachment 12)	(A)	\$0	\$262,708		262,708	131,354
Salvage	(Estimated)		0	0		0	0
Less: Retirements	(per Attachment 11)	(B)	0	161,700		161,700	80,850
Cost of Removal	(Estimated)		0	0		0	0
December 31, 2021 Balance	(Estimated)					\$3,383,821	
						Test Year Average Balance	\$3,333,317
Materials and Supplies Inventory							Test Year Average Balance
Account Balances:							
December 31, 2017	(Actual)		\$19,450				
December 31, 2018	(Actual)		19,450				
December 31, 2019	(Actual)		19,450				
December 31, 2020	(Estimated)	(D)	19,450			\$9,725	
December 31, 2021	(Estimated)	(D)	19,450			9,725	
						Test Year Average Balance	\$19,450
Regulatory Liability and Other Adjustments				Regulatory Liab (Acct 253)			Test Year Average Balance
Account Balances:					Total		
December 31, 2019	(Actual)	(E)	\$91,290		\$91,290		
December 31, 2020	(Estimated)	(E)	\$68,466		68,466	\$34,233	
December 31, 2021	(Estimated)	(E)	45,644		45,644	\$22,822	
						Test Year Average Balance	\$57,055

Note: (A) The depreciation accrual totals for 2020 and 2021 must agree with Attachment 12. For rate case purposes, major construction additions are factored into the calculated accrual as if in service the entire year.

(B) The plant retirements totals for 2020 and 2021 must agree with Attachment 11. If test year retirements are being retired as a result of major construction project, indicate that portion in the major projects column.

(C) Explain adjustments on Attachment 19.

(D) If there is a variance to the prior year balance of more or less than 15%, please state the basis used for developing the M & S estimates for 2020 & 2021.

(E) Explain Other on Attachment 19.

Mcfarland Water and Sewer Utility

Estimated for Test Year 2021

Part One:	Total Operating Revenues	(per Attachment 7)	<u>\$1,159,335</u>
	Total Operation and Maintenance Expenses	(per Attachment 10)	\$630,047
	Depreciation Expense	(per Attachment 12)	241,523
	Amortization Expense--Account # 404 (specify):		<u>0</u>
	Taxes	(per Attachment 8)	<u>318,595</u>
	Total Operating Expenses		<u>\$1,190,165</u>
	Net Operating Income (Loss)-Test Year 2021		<u><u>(\$30,830)</u></u>
Part Two:	Utility Plant In Service--Financed by Utility or Municipality: Test Year Average Balance	(per Attachment 11)	\$10,505,804
	Materials and Supplies: Test Year Average Balance	(per Attachment 13)	19,450
	Less: Accumulated Depreciation: Test Year Average Balance	(per Attachment 13)	3,333,317
	Regulatory Liability and Other: Test Year Average Balance	(per Attachment 13)	<u>57,055</u>
	Average Net Investment Rate Base (NIRB)		<u><u>\$7,134,882</u></u>
Part Three:	Average Net Investment Rate Base	(per Part Two above)	\$7,134,882
	TIMES Rate of Return Requested (Enter requested rate in this box.)	<u>5.00%</u>	<u>5.00%</u>
	Return on Average Net Investment Rate Base (NIRB)		<u><u>\$356,744</u></u>
	Total Operation and Maintenance Expenses	(per Part One above)	\$630,047
	TIMES allowance on O&M expenses		<u>6.00%</u>
	Operating Allowance		<u><u>\$37,803</u></u>
	Enter the larger of either: The Return on NIRB (A) or the Operating Allowance (B)		\$356,744
	Less: Estimated Net Operating Income (Loss)	(per Part One above)	<u>(30,830)</u>
	Increase Requested-Test Year 2021		<u><u>\$387,574</u></u>
	Overall Percentage Increase in Total Sales of Water at Current Rates:	<u>37.01%</u>	

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

McFarland Water Utility

CASH FLOW
Forecasted 2021 - With Full Debt Service

	Without Increase Forecasted 2021	With Increase Forecasted 2021
Operating Income/Loss	\$ (30,830)	\$ (30,830)
Sewer Operating Income (Excluding Depreciation)	18,000	18,000
Rate Increase	-	387,574
Add:		
Depreciation	241,523	241,523
Investment Income	40,000	40,000
Less:		
Bond Debt Payments (Principal & Interest)	(441,482)	(441,482)
Net Cash Flow Available for Capital Projects, Contingencies or Reserves	\$ (172,789)	\$ 214,785
Average Capital Additions Funded with Utility Earnings	421,625	421,625
Net Cash Flows	\$ (594,414)	\$ (206,840)

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies
and Significant Assumptions

McFarland Water Utility

DEBT COVERAGE
Forecasted 2021

	<u>Without Increase Forecasted 2021</u>	<u>With Increase Forecasted 2021</u>
<u>Actual Net Earnings</u>		
Operating revenues	\$ 1,159,335	\$ 1,159,335
Rate Increase	-	387,574
Interest income	40,000	40,000
Operation and maintenance expenses	(630,047)	(630,047)
Taxes other than equivalent	(5,858)	(5,858)
	<u>563,431</u>	<u>951,004</u>
Actual Net Earnings	<u>\$ 563,431</u>	<u>\$ 951,004</u>
 <u>Required Net Earnings</u>		
Minimum Earnings Required:		
G.O. Debt	\$ 441,482	\$ 441,482
Coverage factor	1.00	1.00
	<u>441,482</u>	<u>441,482</u>
Minimum Earnings Required	<u>\$ 441,482</u>	<u>\$ 441,482</u>
 Estimated Debt Coverage - as Defined in Bond Resolutions		
	<u>1.28</u>	<u>2.15</u>
 DEBT COVERAGE WITH PILOT		
Defined Earnings (above)	\$ 563,431	\$ 951,004
Less: Tax Equivalent	(312,737)	(312,737)
Adjusted Defined Earnings	<u>\$ 250,693</u>	<u>\$ 638,267</u>
Total Debt Service	<u>\$ 441,482</u>	<u>\$ 441,482</u>
True Total Debt Coverage	<u>0.57</u>	<u>1.45</u>

Mcfarland Water and Sewer Utility

IMPACT FEES

Is the utility currently collecting impact fees, capacity assessments, or other such fees?

Yes

If yes, answer the following:

1) Describe the facilities to be constructed using the impact fees.

Towers
Mains
Wells

2) Provide the year the impact fees were adopted.

4/1/1998

3) Provide the year the facilities were or will be constructed.

Continuous

4) Provide a copy of the most recent impact fee study and impact fee ordinance.

Note: If more than one water utility impact fee exists, answer the above questions for each project. If more space is needed please include an explanation in the footnotes on Attachment 19.

Mcfarland Water and Sewer Utility

MISCELLANEOUS
Test Year 2021

Part One:

If plant accounts in **Attachment 11 and/or Attachment 11a** (Utility Plant in Service) have transactions for the interim or test year for **Account 343 (Mains)** or **Account 348 (Hydrants)** specify the units added and/or retired for each account .

	Year	Attachment 11		Attachment 11a		Net Units	Indicate diameter(s) and length(s) of main added and retired
		Units Added	Units Retired	Units Added	Units Retired		
Feet of Main	2020	2,863	1,950			913	add 2,652 feet 8", add 211 feet 12"
Feet of Main-Routine	2021	2,102	1,602			500	
Feet of Main-Major Projects	2021					0	
Hydrants	2020	8	6			2	
Hydrants-Routine	2021	6	4			2	
Hydrants-Major Projects	2021					0	

Water Service Installation

Does the utility wish to revise Schedule Cz-1, the charge for installing a water service?

Late Fees

The Wisconsin Administrative Code provides alternatives for late payment charges on delinquent bills for service. If the utility is also regulated by the PSC for electric and/or sewer rates, it is recommended that the charge be consistent for all. Please indicate which late payment charge the utility wants to be included in its tariff.

Other Charges (Schedule OC-1)

Non-Sufficient Funds	<input type="text" value="No"/>
Special Billing Charge	<input type="text" value="No"/>
Special Meter Reading Charge	<input type="text" value="No"/>
Missed Appointment Charge	<input type="text" value="No"/>
Real Estate Closing Charge	<input type="text" value="No"/>

Reconnection Charges (Schedule R-1)

Normal Business Hours:	\$ 35.00	# of Hours	Field Staff	Admin Staff	Vehicle
After Hours:	\$ 45.00	Hourly Rate			
R-1 Total			\$ -	\$ -	\$ -

Public Fire Protection Charges (Schedule F-1)

[FAQ/Application to Change PFP Method](#)

How will the utility collect the PFP charge?

If your utility collects PFP through a **municipal** charge, please answer the following question.

- Does the utility have water customers that reside outside the municipal limits?
- If **yes**, does the utility wish to provide an outside utility rate to recover public fire protection costs through a Schedule Mg-2?

Schedule X-4: Deferred Payment Agreements (DPA)

Do you request to amend the utility's tariff related to DPA's for residential customers?

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

Schedule X-4: Continued

- | | |
|---|----------------------------------|
| 1. Do you currently offer leak credits to water customers? If so, please provide your policy on Attach19. | <input type="text" value="No"/> |
| Select the rate option for billing excess usage due to leak. | |
| Option 1) the lowest volumetric rate provided in the utility's Schedule Mg-1. | <input type="text" value="No"/> |
| Option 2) \$X.YZ per [1,000 gallons/100 cubic feet]. See your records or most recent cost study. | <input type="text" value="Yes"/> |
| 2. Do you currently offer budget billing to water customers? If so, please provide your policy on Attach19. | <input type="text" value="No"/> |

General Service Rate Design (Schedule Mg-1)

Please indicate the preferred rate design for each customer class:

General/Residential	Declining Block Rate
Multifamily Residential	Declining Block Rate
Non-Residential	Declining Block Rate

Please indicate if you would like an irrigation rate or an additional meter charge (choose one or none).

Irrigation Rate	<input type="text" value="No"/>
Additional Meter Charge (Am-1)	<input type="text" value="Yes"/>

Are you interested in rate design to promote conservation goals?

If you decide to pursue an irrigation rate, then please provide the following information:

The Public Service Commission of Wisconsin defines the irrigation customer class as "customers who have water service provided primarily for landscape irrigation. For the purpose of this schedule, landscape irrigation includes the use of water to sustain crops, lawns, or landscapes on any residential, commercial, industrial, or public authority property, including water used for irrigating athletic fields, parks, and golf courses. Irrigation customers include those customers that have multiple meters installed on a single lateral for the purpose of measuring water that is not discharged to the sanitary sewer system. The utility shall classify each additional meter as an irrigation meter and treat each meter as a separate general service customer."

- 1) We will eliminate Schedule Am-1 from your tariff. All existing Am-1 deduct meters will become irrigation meters and
- 2) Please identify all of your irrigation customers. This will become your new irrigation customer class that will receive its own unique uniform water rate. Water for irrigation will have higher volume rates than general service volume rates due
- 3) Update the meter count, fixed revenues, volume revenues, and total actual billed revenues for the irrigation customer class as shown in Attachment 2B. Remember that as you add a meter to the irrigation class, you must subtract it from one of the other customer classes.
- 4) Please identify the annual combined consumption of the irrigation meters by rate block. Update Attachment 2A accordingly. Remember that as you add consumption to the irrigation customer class, you must subtract it from some of the other customer classes. The irrigation usage must be based on your customers that will be reclassified as irrigation customers.

Describe any proposed modifications to the general service rates or list any other proposed tariff or schedule changes below:

N/A

NOTE: Utilities proposing a modified rate structure should submit detailed customer billing information for the most recent 12 months. For each billing period, include an analysis by customer class of the number of customer bills ending in each 1,000 gallon or 100 cubic foot increment, the total number of bills in the billing period, and the total volume of sales in the billing period. For residential customers, it is suggested that the increments be in 1,000's of gallons, up to 25,000 gallons per month (75,000 gallons per quarter), and then by 5,000 gallon increments.

Rebate Programs

Does the Utility wish to establish a new rebate or incentive program for water saving fixtures and/or water efficiency process changes?

If yes, the Utility must obtain PSC approval before spending additional ratepayer-generated funds on these efforts. In general, the PSC allows utilities to spend one to two percent of total operating revenues on water conservation programs. Please provide the PSC with an implementation plan that is consistent with

Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions

<http://psc.wi.gov/conservation/documents/wc-RebateProgram.pdf>

Once a conservation program is approved, the Utility will be required to report annually on the costs, gallon savings, and other supporting information about its program by completing page W-27 in the WEGS Annual Reporting System.

Are there any specific timing constraints that this case is depending on? Are there any external deadlines related to funding or other issues (DNR or safe drinking water) that Commission staff should be aware of?

N/A

Mcfarland Water and Sewer Utility
WATER CONSERVATION SPENDING
 Test Year 2021

If the utility has a conservation program that was authorized by the PSC, please complete the deferred expense schedule below.

Deferred Expense Schedule:

Program Year Ending (a)	Beginning Balance (b)	Account 186 Expenditures (c)	Account 253 Collections (d)	End of Year Expenses (e)
December 31,				
December 31,				
December 31,				
December 31,				
Net Balance of Acct. 186 (debit) and Acct. 253 (credit) Last Actual Year				\$0
Amortization Expense (Net Balance Divided by 3)				\$0
Estimated Future Annual Expenditures				\$0
Total Expenses (To be Recorded in Account 906)				\$0

What are the estimated effects of the utility's planned water conservation and efficiency program on water sales for the test year? Estimate the reduction in volumetric sales, by customer class, for the test year. Test year sales in Attachment 3 should reflect adjustments for conservation.

Customer Class	Test Year Sales Without Conservation	Conservation Adjusted Test Year Sales
Residential		
Multifamily		
Commercial		
Industrial		
Public Authority		
Other		

Additional Comments:

Schedule is N/A

**Mcfarland Water and Sewer Utility
2021
NOTES**

Attachment 3B:

Residential - Forecasted customers to be consistent with the customer count at 7/31/2020.
 Multifamily - Forecasted customers to be consistent with the customer count at 7/31/2020.
 Commercial - Forecasted customers to be consistent with the customer count at 7/31/2020.
 Public Authority - Forecasted customers to be consistent with the customer count at 7/31/2020.

Attachment 7:

In 2020 and 2021 the utility was no longer able to collect forfeited discounts.

Attachment 9:

2020 and 2021 mill rates were estimated using the 2019 mill rate with an inflation adjustment. 2019 assessment ratio was used for 2020 and 2021.

Attachment 10C:**620 - Operation Labor:**

This is based on actual hours spent by employees on tasks related to expenses. In 2019 the Village emphasized accurately capturing hours and time associated with these tasks resulting in the decrease in expense recorded in this account in both 2020 and projected 2021 expenses. Total labor expenses (620, 630, 640, 901, and 920) for 2020 and 2021 are within reasonable range of the 3 year mean and these changes between labor expense accounts are a result of the utility more accurately capturing time in the correct account.

623 - Operation supplies and expenses:

Historically, the Village general fund has picked up the vast majority of costs related to Village facilities and vehicles. In 2019, the Village began allocating a portion of fuel costs to the utility resulting in an increase in fuel costs. 2019 was an outlier year resulting from an increase in activity, including an asphalt patching project, as well as non-capital repairs made to list station #2. We expect the expense to return towards the mean while still being higher than 2017 and 2018 expenses.

625 - Maintenance of pumping plant

In 2017 the maintenance costs were unusually low. This resulted in a lower 3 year average than expected costs in the future. We would expect 2020 and 2021 expenses to be more comparable to the 2019 actual expense.

630 - Operation Labor:

This is based on actual hours spent by employees on tasks related to expenses. In 2019 the Village emphasized accurately capturing hours and time associated with these tasks resulting in the increase in expense recorded in this account in 2019. We would expect the 2020 and projected 2021 expenses to be more comparable to the 2019 balance rather than the average due to this increase in accuracy in time capture. Total labor expenses (620, 630, 640, 901, and 920) for 2020 and 2021 are within reasonable range of the 3 year mean and these changes between labor expense accounts are a result of the utility more accurately capturing time in the correct account.

631 - Chemicals

Cost of chemicals have increased as well as the the volume of chemicals used has increased. We expect this trend to continue in 2020 and 2021, resulting in an expense higher than the 3 year average.

635 - Maintenance of water treatment plant

Scale maintenance has been minimal which has resulted in lower amounts in 2020 and 2021.

**Mcfarland Water and Sewer Utility
2021
NOTES**

Attachment 10C (Cont.):**640 - Operation Labor:**

This is based on actual hours spent by employees on tasks related to expenses. In 2019 the Village emphasized accurately capturing hours and time associated with these tasks resulting in the decrease in expense recorded in this account in 2019. We would expect the 2020 and projected 2021 expenses to be more comparable to the 2019 balance rather than the 3 year average due to this increased accuracy in time capture. Total labor expenses (620, 630, 640, 901, and 920) for 2020 and 2021 are within reasonable range of the 3 year mean and these changes between labor expense accounts are a result of the utility more accurately capturing time in the correct account.

641 - Operation supplies and expenses

In 2020 the Village re-allocated some operation supplies and expenses to more accurately reflect the actual activity. This resulted in a higher cost than the 3 year average.

652 - Maintenance of services

Expenses in 2017 were abnormally high due to an increase in repair costs incurred that year. For 2020 and 2021 we expect this expense to return towards the 2018 and 2019 average of 8,219.

653 - Maintenance of meters

In the past few years the Village fell behind on the annual replacement of meters and began to catch up in 2019. This resulted in an upswing of expenses related to the maintenance of meters. For 2020 and 2021 we would expect these costs to be less than those in 2019 but greater than 2017 and 2018.

655 - Maintenance of other plant

In 2019 the utility began using this account for maintenance expenses that do not fit in the other accounts. This resulted in a 3 year average that is lower than the expected future expenses in 2020 and 2021.

901 - Meter reading labor

Estimated 2020 expense is lower than the 3 year average due to transitions in job duties as a result of an employee retiring. Because of this shift in duties there was less time charged to meter reading labor expense in 2020. We expect this to return towards the average in 2021 once the position is filled.

903 - Supplies and expenses

This expense varies year to year based on activity and unexpected use of supplies. This expense was abnormally low in 2017 and 2019 and as such we would expect the 2020 and 2021 expense to be more comparable to 2018 expenses recorded.

921 - Office supplies and general expenses

Historically, the Village general fund has picked up the vast majority of costs related to office supplies and expenses. In 2019, the Village began allocating a portion of fuel costs to the utility resulting in an increase in office supplies and expenses. Due to this change we would expect the 2020 and 2021 expenses to be greater than the 3 year average.

923 - Outside services employed

The increase from the 3 year average is attributable to Baker Tilly's consulting services for the rate increase application as well as consulting services for the Eastside Interceptor project and expansion of the East side service area.

924 - Property insurance

The utility has seen their property insurance increase annually. For 2020 and 2021 we would expect this trend to continue and as such the expected future expenses are greater than the 3 year average.

**Mcfarland Water and Sewer Utility
2021
NOTES**

Attachment 10C (Cont.):

926 - Employee pensions and benefits

This decrease comes as a result of the restructuring of the department. As a result we would expect the 2020 and 2021 expenses to be less than the 3 year average since 2017 and 2018 are outliers making the average higher than expected future expenses.

933 - Transportation expenses

Historically, the Village general fund has picked up the vast majority of costs related to Village facilities and vehicles. In 2019, the Village began allocating a portion of fuel costs to the utility resulting in an increase in fuel costs in 2020 and 2021.

Attachment 11:

Additions relate to minor enhancements to facilities designed to be installed as part of a larger well maintenance project as well as the water utility's initial share of improvements that are part of a larger public works facility upgrade.

Attachment 13:

The Utility has a regulatory liability for an unappropriated earned surplus for accumulated depreciation on contributed in aid of construction. This regulatory liability originated in 2003 and is being amortized using the straight line method over 20 years.

Attachment 15:

Proceeds from debt relates to construction completed during 2020 (2020 G.O. Note).

**Mcfarland Water and Sewer Utility
2021
NOTES**

Required Supplemental Information

Pensions and Benefits Expense

Expense details should be provided for the test year and three prior years for Account 686 (Class D) or Account 926 (Classes AB and C).

	2018	2019	2020	2021
Pensions	3558	2141	2506	2556
Health Insurance	13030	8178	8213	8377
Life Insurance	119	90	79	81
	0	0	0	0
Retirement Fund	8404	1315	4860	4860
Total for Account 686 or 926	25111	11724	15658	15874

These totals should agree with Attach10

Membership Dues

For each organization the utility belongs to, identify the amount of the dues for the years noted below and indicate what expense account is charged.

	Account	2020	2021
AWWA	600-53710-210-000	382	382
WRWA			
MEG - water			
Alliance for Water Efficiency			
APWA	600-53710-320-000	522.5	570
League of municipalities			

Water Tower Painting

The normalized cost of water tower painting should be included in the forecast for Account 650 (Class C&D utilities) or Account 672 (Class AB utilities). Also, see Instructions - Attachment 10.

Description	Year Last Painted	Next Date To Be Painted	Prior Cost	Current Cost	Number of Years Between Paintings	Annual Normalization
Holscher Road Tower	2000	2021	0	750000	21	35714
Burma Road Tower	2005	2021	133537	650000	15	43333

Other Normalizations

See Instructions for Attachment 10.
Explain on Attachment 19.

Second Meters

Does the utility have any customers with second meters to measure water not discharged to the sanitary sewer system?

Does the utility have rate schedule Am-1, Additional Meter Rental Charge?

If yes, fill out the summary below.

Revenues from additional meters should be reported in Account 474, Other Water Revenue on Attachment 7.

Last Actual Year End Count	Residential	Multifamily	Commercial	Industrial	Public Authority
Please refer to the Accountant's Compilation Report and Summary of Significant Accounting Policies and Significant Assumptions					

General Service Meters	3056	55	203	0	20
Additional Meters	0	0	0	0	0
Total	3056	55	203	0	20

Columns H to L on W-23

Columns I or Q on W-23

The totals should agree with the meter counts reported on page W-23 of Annual Report.

If the utility does not have Schedule Am-1 but has customers with seconds meters, how are these customers billed for the second meter?

N/A - The utility has schedule Am-1.

Payroll Allocations

If employees perform work for more than one function, please explain how costs are assigned to the water utility. For example, when an employee performs work for municipal parks, sewer, water, and private lead service lines, describe how the salary and wages dollars are assigned to the regulated water utility.

Staff are instructed and record their time based on the job function they perform. If multiple job functions occur in one day, they must split their time between the various functions. Each staff timecard has a large amount of tasks available to code their time to and those selections then proportionally charge the various accounts.

**Mcfarland Water and Sewer Utility
2021
CREDIT CARD FEES**

Required Supplemental Information

On January 25, 2019, the PSC sent communication to all municipal utilities outlining recent decisions to allow utilities to recover credit card processing fees through rates. As stated in that letter, municipal utilities may now request recovery of credit cards fees in a conventional rate case. If the Utility currently allows customers to pay utility bills using a credit card, please answer Question #1. If the Utility currently wants to include the cost to process credit cards payments in the estimated test year O&M expenses, please answer Question #2.

1. Does the Utility currently offer credit card billing? If yes, provide the following: **Yes**

A. Does the Utility or customer currently pay the transaction fee?

Customer

B. What expense account(s) does the Utility use to record credit card fees?

N/A - Customer pays credit card fees

C. Provide the most recent three years of credit card fee expense.

Year	\$
2019	3978.08
2018	3593.62
2017	3558.1

D. Identify either the vendor or the third party company used by the utility.

Payment Service Network (PSN)

E. Provide a breakdown of the cost per transaction and any other fees that are incurred by the Utility.

No credit card transaction fees are paid by the utility.

2. O&M forecast? If not, does the Utility want to include such expenses in the current application? If yes to either question, please provide further information on the questions below? **Yes**

A. Provide the test year estimate and methodology used to determine the forecast?

The estimate used for the rate study is \$400 (\$1,200 per month for 2020 total, with 33% allocated water, sewer and stormwater) and \$600 for 2021 (\$1,800 per month for 2021 total, with 33% allocated water, sewer and stormwater). The Utility obtained YTD 2020 data from the vendor, noting sales of approximately \$1,200 per month. The estimate in 2021 is due to the increase of the use of credit cards as payment options as a result of the COVID-19 pandemic, along with a growth in customers.

B. Provide the allocation percentage(s) and methodology used to allocate credit card fees across utilities or shared services.

Fees are split evenly between three accounts in the utility. In the future, the utility plans to set up a separate account for these fees to be tracked separately.

C. What O&M account did the Utility use for the test year estimate?

906

D. Identify the vendor the Utility will be using.

Payment Service Network (PSN)

E. Provide a breakdown of the cost per transaction and any other fees that will be incurred by the Utility.

\$1 for a check payment and 2.75% for a credit card payment

F. What percentage of customers currently pay by credit card?

The utility is working to gather this information and will provide as soon as it is available.

G. Does the Utility expect more customers to use credit cards if this payment option is offered at no charge to the customer? If so, what percentage of customers do you estimate will pay by credit card?

The utility is working to gather this information and will provide as soon as it is available.

H. Has the utility worked with vendor(s) to negotiate lower fees?

H1: Identify utility efforts to minimize fees.

H2: Provide name of vendor(s) contacted.

H3: Provide quoted amount(s) from each vendor contacted.

The utility is working to gather this information and will provide as soon as it is available.

2021

STEP II MAJOR PLANT DETAIL

Test Year 2021

NOTE: Only applies to utilities requesting a two step rate case
 USE ONLY FOR "MAJOR" PLANT NOT COMPLETED NOR PLACED IN SERVICE BY THE END OF THE TEST YEAR

Summary of Plant Additions (Retirements) in Step II

Account Number	Description	Addition (Retirement) Amount	Depreciation	
			Rate	Expense
Financed by Utility or Municipality:				
		0	0.00%	\$0
		0	0.00%	0
		0	0.00%	0
		0	0.00%	0
		0	0.00%	0
		0	0.00%	0
	Total Financed by Utility or Municipality	0	Depreciation Total	\$0
Contributed Plant:				
		\$0		
		0		
		0		
		0		
		0		
	Total Contributed Plant	0		
	Total Step II NET Plant Additions	\$0		
	Less: Plant Outside Municipality	0		
	Net Taxable Plant	\$0		

Times Assessment Ratio (per Attachment 9) 1.014006
 Times Net Local and School Rate (per Attachment 9) 17.776048

Calculated Tax Equivalent--Step II \$0
 Calculated Tax Equivalent – Step I (per Attachment 9) 312,737
 Tax Equivalent Computed (Combined Total Step I and II) \$312,737
 1994 Tax Equivalent Payable in 1995 (per Attachment 9) \$78,428

If the municipality has authorized a lower amount as allowed by Wis. Stat. § 66.0811(2), then place that amount on this line. **If no authorization, leave blank.** ==>

Step I and Step II Combined:
 Tax Equivalent Payable for the Test Year (See Attachment 9, Instruction 4 for criteria) \$312,737
 Less: Meter Allocation to Sewer (Attachment 8) 6,943
 Step I and Step II Combined Net Property Tax Equivalent-Water Utility \$305,794

If mains or hydrant plant accounts have Step II transactions above, specify the net units added for each.	Units Added
	0
	Feet of Main
	0
	Hydrants
	0

**2021
STEP II SUMMARY**
Test Year 2021

NOTE: Only applies to utilities requesting a two step rate case

	Step I Total Per Attachment 14	Step II Additional	Combined Total
Part One:			
Total Operating Revenues	\$1,159,335	\$0	\$1,159,335
Total Operation and Maintenance Expenses	\$630,047	\$0	\$630,047
Depreciation Expense	241,523	0	241,523
Amortization Expense--Acct # 404 (If Step II--specify):	0	0	0
Taxes	318,595	0	318,595
Total Operating Expenses	\$1,190,165	\$0	\$1,190,165
Net Operating Income (Loss)-Test Year 2021	(\$30,830)	\$0	(\$30,830)
Part Two:			
Plant In Service--Financed by Utility or Municipality	\$10,505,804	\$0	\$10,505,804
Materials and Supplies	19,450	0	19,450
Less: Accumulated Depreciation	3,333,317	0	3,333,317
Less: Regulatory Liability and Other	57,055	0	57,055
Net Investment Rate Base (NIRB)	\$7,134,882	\$0	\$7,134,882
Part Three:			
Average Net Investment Rate Base		(per Part Two above)	\$7,134,882
TIMES Rate of Return Requested for Step II:			
The requested return can be different than in Step I.	5.00%		5.00%
Enter the Step II requested rate in this box.			
Return on Average Net Investment Rate Base (NIRB)			<u>\$356,744</u> (A)
Total Operation and Maintenance Expenses		(per Part One above)	\$630,047
TIMES allowance on O&M expenses			6.00%
Operating Allowance			<u>\$37,803</u> (B)
Enter the larger of either:			
The Return on NIRB (A) or the Operating Allowance (B)			\$356,744
Less: Estimated Net Operating Income (Loss)--Combined Step I and II		(per Part One above)	(\$30,830)
Increase Requested-Test Year 2021--Combined Step I and II			<u>\$387,574</u>
Overall Percentage Increase in Total Sales of Water at Current Rates:		37%	

**2021
STEP II
NOTES**

Test Year 2021

NOTE: Only applies to utilities requesting a two step rate case

Step II Major Project(s) Authorization Docket Number(s)==>

Briefly Describe the Major Project(s) Below:

N/A

Other assumptions relating to Step II Major Project(s) -- Describe below:

N/A

Filing the Application to Increase Water Rates on the Electronic Regulatory Filing System (ERF)

Before sending the rate application to the PSC:

1. Ensure that the Edit Checks have been run from the Main Menu.
2. Based on the Edit Checks listed, correct or adjust as required to address the item.
3. Rerun the Edit Checks to ensure that only general Edit Checks remain in the list.
4. All remaining general items in the edit check list should be fully explained in the Notes on Attachment 19.
5. No changes should be made to this application (the Excel file) after submitting to the PSC. Printed copies or electronic copies regarding this rate application should be printed or electronically produced only from this file or from an exact copy. (After the PSC has accepted this file and uploaded it to the Commission's Electronic Regulatory Filing system, copies may be reproduced from the ERF system also.)

All new formal rate case applications and subsequent filings must be filed with the PSC in electronically on the PSC's Electronic Regulatory Filing system at <http://apps.psc.wi.gov/vs2015/ERF/ERFHome.aspx>

Detailed instructions and guidelines can be found on the PSC's Electronic Regulatory Filing system web site at: <http://apps.psc.wi.gov/vs2015/ERF/info/help.aspx>

General Information:

1. An internet connection is required for uploading files, and Internet Explorer 5.0 or above.
2. To submit filings to the PSC a user must create an account by specifying his or her name, email address, logon id and password.
3. Individual accounts can be created by clicking on the "Setup Individual Account" hyperlink from the ERF Login Page. Corporate accounts can only be created by the PSC's Record Management Unit (RMU). Entities must complete a Corporate Electronic Filing Account Request in order to establish an account.
4. Corporate accounts have been developed to allow an organization (e.g., utility, law firm, accounting firm, intervener, etc.) to identify users who are authorized to file on their behalf. This is an optional service offered to corporate entities to allow them greater security in identifying authorized filers, but such entities are not required to use corporate accounts if individual accounts are satisfactory to them.
5. The rate case application is in Microsoft Excel and should be filed as an Excel file. Do not convert Excel files to PDF.
6. Adobe Acrobat is needed to convert other than Excel documents to PDF format.

Abbreviated list of instructions to submit this rate application to the PSC:

1. Use <http://apps.psc.wi.gov/vs2015/ERF/ERFHome.aspx> to submit filings to the PSC.
2. Click "Upload Document" then Type in a valid user name and password.
3. To submit a new rate case, select the New / Non-Docket entry under File Document heading.
4. Select the number of files to upload, and specify the utility these documents relate to. When the screen repopulates, click the browse button in row 1 and select the file to upload. Then specify the document type from the drop down list box and finally enter a meaningful description such as "Rate Increase Application for XYZ Water Utility".
5. Repeat this for each row on the screen.
6. Click the Upload Docket Files button to submit the documents.
7. Once the docket is submitted it will be marked as pending which means that the document has been received by the PSC, but it has not been processed. Staff of RMU will review the documents and approve or reject them. When the filings are processed the submitter will be notified via email. The email will include the document name, type, description, received date and file status. If the filing was rejected, the reason for rejection will be included in the email.
8. For general questions about the process of electronic filing or instructions on formatting, etc., please contact the Records Management Unit at (608) 261-8524 or via e-mail at pscrcs@wisconsin.gov.