

INSTRUCTIONS FOR COMPLETING AN APPLICATION TO INCREASE WATER RATES

Class AB Water Utilities

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

1. [Form #3024 – Application to Increase Rates Form](#)
2. [Hearing – Telephonic Hearing Information](#)
3. [Attachment 1 – Listing of Largest Customers Billed During Latest 12 Months](#)
4. [Attachment 2 – Consumer Analysis-Actual Latest 12 Months](#)
5. [Attachment 3 – Consumer Analysis-Test Year](#)
6. [Attachment 4 – Public Fire Protection Revenue-Test Year \(Summary\)](#)
7. [Attachment 5 – Public Fire Protection Revenue-Test Year \(Detail\)](#)
8. [Attachment 6 – Private Fire Protection Revenue-Test Year](#)
9. [Attachment 7 – Operating Revenues-Test Year \(Summary\)](#)
10. [Attachment 8 – Taxes-Test Year Summary](#)
11. [Attachment 9 – Property Tax Computation](#)
12. [Attachment 10 – Operating Expenses](#)
13. [Attachment 11 and 11a– Utility Plant in Service](#)
14. [Attachment 12 – Depreciation Accrual and Expenses](#)
15. [Attachment 13 – Accumulated Depreciation, Contributions in Aid of Construction and Materials & Supplies](#)
16. [Attachment 14 – Estimated Rate Base and Increase Requested](#)
17. [Attachment 15 – Financing and Debt Summary](#)
18. [Attachment 16 – Customer Notification](#)
19. [Attachment 17 – Miscellaneous Information](#)
20. [Attachment 18 – Notes](#)
21. [Attachment 19 – Step II Information](#)
22. [Attachment 20 – Step II Increase Requested](#)
23. [Attachment 21 – Step II Notes](#)
24. [Run Final Edit](#)
25. [Attachment 22 – E-mailing the Application to the PSC](#)

1. [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. Complete this form with the name and title of the person submitting this application and date being submitted.

2. [Hearing – Telephonic Hearing Information](#)

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

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

- a. List the billed units consistent with Schedule Mg-1 in your green tariff sheets.
- b. During the last 12 month period, identify the highest consumption billed each of the four largest customers in each class.
- c. List the customer name, meter size, billing date, and the billed consumption.

4. [Attachment 2 – Consumer Analysis-Actual Latest 12 Months](#)

- a. Provide the authorized rates for volume and meter charges 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 2 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 2, 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. The average number of meters is determined based upon the actual number billed each period and averaged depending on the number of billing periods for the latest 12 months.

- g. Provide the actual total billed revenue for the same 12 months. If the variance between the computed total revenue and actual billed revenue is greater than 3 percent for any customer class, the variance must be explained in the Notes (Attachment 18).

5. Attachment 3 – Consumer Analysis-Test Year

- a. Using the data from Attachment 2, (percentage distribution of volume sales by rate blocks and number of meters by meter size), provide a consumer analysis for the estimated test year.
- b. The consumer analysis must include any projection of customer growth.
- c. Complete details concerning the gain or loss of any large customer should be explained in the Notes (Attachment 18).
- d. Changes in usage by large customers and variations in usage by all customers due to weather should also be considered.
- e. If necessary, please describe unusual situations in the Notes (Attachment 18).

6. 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 18).

7. Attachment 5 – Public Fire Protection Revenue-Test Year Detail

- a. For a Municipal Charge based upon mains and/or hydrants, complete the HEADNOTES section and PART ONE of Attachment 5.
 - i. Base units and charges are obtained from the current green 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 PART TWO.
 - i. The Authorized Rates are obtained from the current green tariff sheet, typically Schedule Fd-1.
 - ii. If the billings per year are other than 4 (quarterly), enter the appropriate number in the highlighted area.
- c. The Average Number of Meters is derived from Attachment 3.
- d. If necessary, please describe unusual situations in the Notes (Attachment 18).

8. 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 green tariff sheet, typically Schedule Upf-1.
- c. If the billings per year are other than 4 (quarterly), enter the appropriate number in the highlighted area.
- d. Enter the test year Average Number of Connections, based on size of the connection.
- e. 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.
- f. The authorized meter rates in this section are derived from Attachment 3.
- g. If a credit is authorized for general service branches, enter the appropriate percent in the highlighted area.
- h. If necessary, please describe unusual situations in the Notes (Attachment 18).

9. Attachment 7 – Operating Revenues-Test Year Summary

- a. Test year revenue estimated amounts are derived for the following: Metered Sales to General Customers; Other Sales to Public Authorities; 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 18).

10. 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 18).

11. Attachment 9 – Property Tax Computation

- a. Attachment 9 includes the instructions for completing the Property Tax Equivalent Computation.
- b. If the municipality has authorized an amount as allowed by Wis. Stat. §66.069(1)(c), explain fully the circumstances in the Notes (Attachment 18).
- c. If necessary, please describe unusual situations in the Notes (Attachment 18).

12. 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 18).
- 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 18). The average annual cost should be normalized as part of the test year estimated expense.
- e. Rate case expenses 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 18).

13. Attachment 11 – Utility Plant in Service

- a. Additions and retirements are to 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 19 -21).
- 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. BEGINNING WITH 2003, DO NOT INCLUDE CONTRIBUTED PLANT TRANSACTIONS IN ATTACHMENT 11.
- h. If necessary, please describe unusual situations in the Notes (Attachment 18).

Attachment 11a– Utility Plant in Service--CONTRIBUTED PLANT

- a. Beginning with 2003, additions and retirements are to be estimated for both the interim year and the test year.
- b. Beginning with 2003, depreciation on contributed plant will not be included in expenses for rate making purposes.
- c. Beginning with 2003, 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 18).

14. Attachment 12 – Depreciation Accrual and Expenses

- a. The interim year depreciation accrual is based the utility's current depreciation rates. The individual depreciation rates must be entered in column (A).
- 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.
- 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 percent for your utility is different, insert the applicable percent in the space provided.
- e. Major Construction Additions shown in Schedule 8 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 18).

15. Attachment 13 – Estimated Accumulated Depreciation, Materials and Supplies, and Regulatory Liability and Other

- 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 18).
- 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. See Attachment 13, Footnote F for further instructions.
- d. If necessary, please describe unusual situations in the Notes (Attachment 18).

16. 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 6.00 to 8.00 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 call the PSC for assistance at (608) 266-5528.
- d. If necessary, please describe unusual situations in the Notes (Attachment 18).

17. 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 to an email 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.

18. Attachment 16 – Customer Notification

- a. Pursuant to Wis. Admin. Code § PSC 2.10, your utility is required to notify customers of the filing of the rate increase application and the general nature and effect of the filing.
 - i. If billing is monthly by envelope, a bill insert over one complete billing cycle is required.
 - ii. If billing is by a method other than monthly by envelope, a special mailing or a display advertisement in a newspaper having general circulation in the utility's service area is required (with the following exception). following.
 - iii. If your utility serves fewer than 1,000 customers, a notice may be posted in at least 3 public places.
- b. The notice shall contain the following information:
 - i. The amount of the request.
 - ii. The reasons for the request.
 - iii. The date, time and location of the hearing and how customers can contact the Public Service Commission regarding scheduling questions.
 - iv. The effect (dollar and percentage) on the average residential customer if the request were to be granted.
- c. Your utility is required to file proof of notice no later than 3 days prior to the hearing.
- d. Public Service Commission staff will assist your utility in complying with the notice requirements.
- e. Attachment 16 includes an example notice that your utility may use.

19. Attachment 17 – Miscellaneous

- a. This attachment requests information regarding the number of feet of main and number of hydrants being added and retired, customer charges for installation of a water service, and late payment charges on delinquent bills for service.
- b. Space is available to request additional tariff changes.

20. Attachment 18 – Notes

- 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 1-17.
- b. Each item must be referenced to the applicable Attachment number(s).

21. Attachment 19 – 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. § 66.069 (1)(c), 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 21).

22. Attachment 20 – 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 19 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 21).
 - 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 or contributions in aid of construction are included in the Step II Additional column, explain fully in the Notes (Attachment 21).
- e. 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. 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 21).

23. Attachment 21 – 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 19 and 20.
- b. Describe, in particular, Step II additional revenue or operation and maintenance expense forecasted in Attachment 20.
- c. If necessary, include other general discussion that may be helpful regarding Step II items.

24. 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.

25. Attachment 22 – 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 of documents 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/apps/erf_public/default.aspx.

General Information about the ERF system:

- a. An internet connection is required for uploading files, and Internet Explorer 5.0 or above.
- b. To submit filings to the PSC a user must create an account by specifying his or her name, email address, logon id and password.
- c. 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.
- d. 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.
- e. The rate case application is in Microsoft Excel and should be filed as an Excel file. Do not convert Excel files to PDF.
- f. 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 http://psc.wi.gov/apps/erf_public/default.aspx 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 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) 261-8524 or via e-mail at pscrecs@psc.state.wi.us.
- i. For any questions about the technical functions of the ERF system, please contact Paul Newman, the PSC's Chief Information Officer, at (608) 267-5112 or via e-mail at paul.newman@psc.state.wi.us.

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@psc.state.wi.us
- b. Bridgot Quandt at (608) 267-0637 or by E-mail at bridgot.quandt@psc.state.wi.us



Application to Increase Rates
Public Service Commission of Wisconsin
 P.O. Box 7854
 Madison, WI 53707-7854

3024 (8-2-2000)

(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:
 MADISON WATER UTILITY

Type of rate increase requested:
 Water Sewer Both

Reason for rate increase request:
 Increase in costs, benefits, power and rate base.

Contact Personnel Information

	Utility	Consultant
Name	MADISON WATER UTILITY	
Contact Person (1)	Robin G Piper	
Contact Person (2)	Larry E Nelson	
Street or P.O. Box	119 E Olin Ave	
City and Zip Code	Madison 53713-1431	
County or Counties	Dane	
Telephone Number (1)	608.266.4656	
Telephone Number (2)	608.266.4652	
E-Mail Address	rpiper@madisonwater.org	
Fax Number	608.266.4426	
Best Hours between 7:30 am & 5:00 pm	7:30 to 3:30	
Days Available (Check)	<input checked="" type="checkbox"/> M <input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> W <input checked="" type="checkbox"/> Th <input checked="" type="checkbox"/> F	<input type="checkbox"/> M <input type="checkbox"/> T <input type="checkbox"/> W <input type="checkbox"/> Th <input type="checkbox"/> F

Robin G Piper 4/14/2008

 Name of Person Submitting this Application Date
 Finance/Accounting Manager

 Title

MADISON WATER 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.)*
- | |
|---------------------|
| Building Name |
| Room Number or Name |
| Address |
| Phone Number |
- 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.)*

It is feasible for us to hold a telephonic hearing, but since we are in Madison, we prefer to have the hearing held at the Public Service Commission of Wisconsin.
--

MADISON WATER UTILITY

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

1. List the billed units consistent with Mg-1 in your green tariff sheets.

Select One
<input checked="" type="radio"/> 100 Cubic Feet (CCF'S)
<input type="radio"/> 1,000 Gallons (000 gallons)

2. During the last 12-month period, list the highest consumption billed each of the four largest customers in each class.

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
Tamara Washington	Res.	5/8"	▼	11/1/2007	1,829
Cole Foster	Res.	5/8"	▼	2/1/2008	989
Tim Luther	Res.	5/8"	▼	2/1/2008	787
Kenneth Jones	Res.	5/8"	▼	2/1/2008	618
Covance	Com.	4"	▼	12/1/2007	23,211
St Mary's Medical Center	Com.	6"	▼	10/1/2007	33,557
Meriter Hospital	Com.	6"	▼	12/1/2007	43,556
Meriter Hospital	Com.	6"	▼	12/1/2007	30,283
Oscar Mayer	Ind.	6"	▼	7/1/2007	52,630
Oscar Mayer	Ind.	6"	▼	4/1/2007	46,976
Oscar Mayer	Ind.	6"	▼	4/1/2007	40,576
Oscar Mayer	Ind.	6"	▼	7/1/2007	40,549
University of Wisconsin	P.A.	10"	▼	2/1/2008	19,570
University of Wisconsin	P.A.	10"	▼	2/1/2008	17,500
University of Wisconsin	P.A.	8"	▼	2/1/2008	23,054
University of Wisconsin	P.A.	6"	▼	2/1/2008	5,999

MADISON WATER UTILITY
WATER UTILITY CONSUMER ANALYSIS

December 1, 2007

Actual Latest 12 Months Ending:

Insert Number of Billings per Year (if different) > **2**

Authorized Rates	Residential		Commercial		Industrial		Public Authority		Total	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Volume Charges:										
Cubic Feet										
500										
Per 100 Cubic Feet										
FIRST	4,643,455	\$4,555,634	3,288,311	\$3,215,064	40,872	\$39,744	435,763	\$424,081	8,408,401	\$8,234,523
NEXT	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
NEXT	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
OVER	13,103	\$9,731	2,465,891	\$1,835,103	1,080,017	\$799,675	1,849,290	\$1,373,504	5,408,301	4,018,013
SUBTOTALS	4,656,558	\$4,565,365	5,754,202	\$5,050,167	1,120,889	\$839,419	2,285,053	\$1,797,585	13,816,702	\$12,252,536

Meter Size	Each Billing	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	
5/8"	\$24.50	54,706	\$2,680,594	3,289	\$161,161	3	\$147	67	\$3,283	
3/4"	\$27.50	525	28,875	1,658	91,190	14	770	58	3,190	
1"	\$41.00	39	3,198	1,841	150,962	13	1,066	120	9,840	
1 1/4"	\$67.00	0	0	0	0	0	0	0	0	
1 1/2"	\$100.00	0	0	979	131,186	4	536	50	6,700	
2"	\$160.00	0	0	764	152,800	8	1,600	92	18,400	
2 1/2"	\$238.00	0	0	0	0	0	0	0	0	
3"	\$408.00	0	0	93	29,760	5	1,600	39	12,480	
4"	\$630.00	0	0	47	22,372	8	3,808	42	19,992	
6"	\$928.00	0	0	7	5,712	1	816	14	11,424	
8"	\$0.00	0	0	2	2,520	0	0	4	5,040	
10"	\$0.00	0	0	0	0	0	0	4	7,424	
12"	\$0.00	0	0	0	0	0	0	0	0	
SUBTOTALS		55,270	\$2,712,667	8,680	\$747,663	56	\$10,343	490	\$97,773	\$3,568,446

Surcharges, etc.	\$0	\$0	\$0	\$0
Total Revenues Per Analysis	\$7,278,032	\$5,797,830	\$849,762	\$1,895,358
Total Actual Billed Revenues	\$7,277,073	\$5,565,371	\$847,230	\$1,734,064
Dollar Variance	\$959	\$232,459	\$2,532	\$161,294
Percent Variance (B)	0.01%	4.01%	0.30%	8.51%

(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 18.

MADISON WATER UTILITY

WATER UTILITY CONSUMER ANALYSIS

Actual Latest 1 Month Endin November 1, 2007

of Billings per Year (if different) 2

Authorized Rates	Residential		Commercial		Industrial		Public Authority		Total	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Volume Charges:										
Cubic Feet 1 Cubic Feet										
FIRST 500 \$1.0075	691,447	\$696,633	215,599	\$217,216	1,475	\$1,486	3,025	\$3,048	911,546	\$918,383
NEXT \$0.00	0	0	0	0	0	0	0	0	0	0
NEXT \$0.00	0	0	0	0	0	0	0	0	0	0
OVER 500 \$0.7596	1,562	1,186	84,005	63,810	3,251	2,469	5,096	3,871	93,914	71,336
SUBTOTALS	693,009	\$697,819	299,604	\$281,026	4,726	\$3,955	8,121	\$6,919	1,005,460	\$989,719

Meter Charges:	Meter Size	Each Billing	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues		
	5/8"	\$24.50	54,706	\$2,680,594	3,289	\$161,161	3	\$147	67	\$3,283	58,065	\$2,845,185
	3/4"	\$27.50	525	28,875	1,658	91,190	14	770	58	3,190	2,255	124,025
	1"	\$41.00	39	3,198	1,841	150,962	13	1,066	120	9,840	2,013	165,066
	1 1/4"	\$0.00	0	0	0	0	0	0	0	0	0	0
	1 1/2"	\$67.00	0	0	979	131,186	4	536	50	6,700	1,033	138,422
	2"	\$100.00	0	0	764	152,800	8	1,600	92	18,400	864	172,800
	2 1/2"	\$0.00	0	0	0	0	0	0	0	0	0	0
	3"	\$160.00	0	0	93	29,760	5	1,600	39	12,480	137	43,840
	4"	\$238.00	0	0	47	22,372	8	3,808	42	19,992	97	46,172
	6"	\$408.00	0	0	7	5,712	1	816	14	11,424	22	17,952
	8"	\$630.00	0	0	2	2,520	0	0	4	5,040	6	7,560
	10"	\$928.00	0	0	0	0	0	0	4	7,424	4	7,424
	12"	\$0.00	0	0	0	0	0	0	0	0	0	0
SUBTOTALS			55,270	\$2,712,667	8,680	\$747,663	56	\$10,343	490	\$97,773	64,496	\$3,568,446

Surcharges, etc.	\$0	\$0	\$0	\$0	\$0
Total Revenues Per Analysis	\$3,410,486	\$1,028,689	\$14,298	\$104,692	\$4,558,165
Total Actual Billed Revenues	\$0	\$0	\$0	\$0	\$0
Dollar Variance	\$3,410,486	\$1,028,689	\$14,298	\$104,692	\$4,558,165

Percent Variance (B)

100.00%

100.00%

100.00%

100.00%

100.00%

(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 18.

MADISON WATER UTILITY

WATER UTILITY CONSUMER ANALYSIS

Actual Latest 1 Month Ending: December 1, 2007

2

Authorized Rates		Residential		Commercial		Industrial		Public Authority		Total	
Volume Charges:	Cubic Feet	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
	Per 100 Cubic Feet										
FIRST	500	338,905	\$354,291	229,663	\$240,090	565	\$591	16,948	\$17,717	586,081	\$612,689
NEXT		0	0	0	0	0	0	0	0	0	0
NEXT		0	0	0	0	0	0	0	0	0	0
OVER	500	126	\$0.7793	221,289	172,451	10,146	7,907	125,437	97,753	356,998	278,209
SUBTOTALS		339,031	\$354,389	450,952	\$412,541	10,711	\$8,498	142,385	\$115,470	943,079	\$890,898
Meter Charges:											
Meter Size	Each Billing	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	Annual Revenues
5/8"	\$24.50	54,706	\$2,680,594	3,289	\$161,161	3	\$147	67	\$3,283	58,065	\$2,845,185
3/4"	\$27.50	525	28,875	1,658	91,190	14	770	58	3,190	2,255	124,025
1"	\$41.00	39	3,198	1,841	150,962	13	1,066	120	9,840	2,013	165,066
1 1/4"	\$0.00	0	0	0	0	0	0	0	0	0	0
1 1/2"	\$67.00	0	0	979	131,186	4	536	50	6,700	1,033	138,422
2"	\$100.00	0	0	764	152,800	8	1,600	92	18,400	864	172,800
2 1/2"	\$0.00	0	0	0	0	0	0	0	0	0	0
3"	\$160.00	0	0	93	29,760	5	1,600	39	12,480	137	43,840
4"	\$238.00	0	0	47	22,372	8	3,808	42	19,992	97	46,172
6"	\$408.00	0	0	7	5,712	1	816	14	11,424	22	17,952
8"	\$630.00	0	0	2	2,520	0	0	4	5,040	6	7,560
10"	\$928.00	0	0	0	0	0	0	4	7,424	4	7,424
12"	\$0.00	0	0	0	0	0	0	0	0	0	0
SUBTOTALS		55,270	\$2,712,667	8,680	\$747,663	56	\$10,343	490	\$97,773	64,496	\$3,568,446
Surcharges, etc.			\$0		\$0		\$0		\$0		\$0
Total Revenues Per Analysis			\$3,067,056		\$1,160,204		\$18,841		\$213,243		\$4,459,344
Total Actual Billed Revenues			\$0		\$0		\$0		\$0		\$0
Dollar Variance			\$3,067,056		\$1,160,204		\$18,841		\$213,243		\$4,459,344
Percent Variance (B)			100.00%		100.00%		100.00%		100.00%		100.00%

(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 18.

MADISON WATER UTILITY
WATER UTILITY CONSUMER ANALYSIS

Actual Latest 10 Months Ending: October 1, 2007

Insert Number of Billings per Year (if different) > 2

Volume Charges:	Authorized Rates		Residential		Commercial		Industrial		Public Authority		Total	
	Cubic Feet	Per 100 Cubic Feet	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
FIRST	500	\$0.97	3,613,103	\$3,504,710	2,843,049	\$2,757,758	38,832	\$37,667	415,790	\$403,316	6,910,774	\$6,703,451
NEXT		\$0.00	0	0	0	0	0	0	0	0	0	0
NEXT		\$0.00	0	0	0	0	0	0	0	0	0	0
OVER	500	\$0.74	11,415	8,447	2,160,597	1,598,842	1,066,620	789,299	1,718,757	1,271,880	4,957,389	3,668,468
SUBTOTALS			3,624,518	\$3,513,157	5,003,646	\$4,356,600	1,105,452	\$826,966	2,134,547	\$1,675,196	11,868,163	\$10,371,919

Meter Charges:	Meter Size	Each Billing	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	Annual Revenues		
	5/8"	\$24.50	54,706	\$2,680,594	3,289	\$161,161	3	\$147	67	\$3,283	58,065	\$2,845,185
	3/4"	\$27.50	525	28,875	1,658	91,190	14	770	58	3,190	2,255	124,025
	1"	\$41.00	39	3,198	1,841	150,962	13	1,066	120	9,840	2,013	165,066
	1 1/4"	\$0.00	0	0	0	0	0	0	0	0	0	0
	1 1/2"	\$67.00	0	0	979	131,186	4	536	50	6,700	1,033	138,422
	2"	\$100.00	0	0	764	152,800	8	1,600	92	18,400	864	172,800
	2 1/2"	\$0.00	0	0	0	0	0	0	0	0	0	0
	3"	\$160.00	0	0	93	29,760	5	1,600	39	12,480	137	43,840
	4"	\$238.00	0	0	47	22,372	8	3,808	42	19,992	97	46,172
	6"	\$408.00	0	0	7	5,712	1	816	14	11,424	22	17,952
	8"	\$630.00	0	0	2	2,520	0	0	4	5,040	6	7,560
	10"	\$928.00	0	0	0	0	0	0	4	7,424	4	7,424
	12"	\$0.00	0	0	0	0	0	0	0	0	0	0
SUBTOTALS			55,270	\$2,712,667	8,680	\$747,663	56	\$10,343	490	\$97,773	64,496	\$3,568,446

Surcharges, etc.	\$0	\$0	\$0
Total Revenues Per Analysis	\$6,225,824	\$5,104,263	\$837,309
Total Actual Billed Revenues	\$0	\$0	\$0
Dollar Variance	\$6,225,824	\$5,104,263	\$837,309
Percent Variance (B)	100.00%	100.00%	100.00%

(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 18.

MADISON WATER UTILITY

WATER UTILITY CONSUMER ANALYSIS

Estimated For Test Year 2008

Insert Number of Billings per Year (if different) **2**

Volume Charges:	Authorized Rates		Residential		Commercial		Industrial		Public Authority		Total	
	Cubic Feet	Per 100 Cubic Feet	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
FIRST	500	\$1.20	4,662,000	\$5,594,400	3,288,000	\$3,945,600	41,000	\$49,200	436,000	\$523,200	8,427,000	\$10,112,400
NEXT	0	\$0.00	0	0	0	0	0	0	0	0	0	0
NEXT	0	\$0.00	0	0	0	0	0	0	0	0	0	0
OVER	500	\$0.86	0	0	2,466,000	2,120,760	1,080,000	928,800	1,850,000	1,591,000	5,396,000	4,640,560
SUBTOTALS			4,662,000	\$5,594,400	5,754,000	\$6,066,360	1,121,000	\$978,000	2,286,000	\$2,114,200	13,823,000	\$14,752,960

Meter Size	Each Billing	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	(A) Annual Revenues	Average No. of Meters	Annual Revenues
5/8"	\$24.50	55,152	\$2,702,448	3,308	\$162,092	3	\$147	67	\$3,283	58,530	\$2,867,970
3/4"	\$27.50	526	28,930	1,662	91,410	14	770	58	3,190	2,260	124,300
1"	\$41.00	40	3,280	1,847	151,454	13	1,066	120	9,840	2,020	165,640
1 1/4"	\$0.00	0	0	0	0	0	0	0	0	0	0
1 1/2"	\$67.00	0	0	987	132,258	4	536	51	6,834	1,042	139,628
2"	\$100.00	0	0	780	156,000	8	1,600	92	18,400	880	176,000
2 1/2"	\$0.00	0	0	0	0	0	0	0	0	0	0
3"	\$160.00	0	0	98	31,360	5	1,600	41	13,120	144	46,080
4"	\$238.00	0	0	47	22,372	8	3,808	42	19,992	97	46,172
6"	\$408.00	0	0	7	5,712	1	816	14	11,424	22	17,952
8"	\$630.00	0	0	2	2,520	0	0	4	5,040	6	7,560
10"	\$928.00	0	0	0	0	0	0	4	7,424	4	7,424
12"	\$0.00	0	0	0	0	0	0	0	0	0	0
SUBTOTALS		55,718	\$2,734,658	8,738	\$755,178	56	\$10,343	493	\$98,547	65,005	\$3,598,726

Surcharges, etc.	\$0	\$0	\$0	\$0	\$0
Total Revenues Per Analysis	\$8,329,058	\$6,821,538	\$988,343	\$2,212,747	\$18,351,686

Estimated Customer Growth for the Test Year: Provide explanations for any unusual growth in customers projected for the test year. For example, a new subdivision that will include 25 residential homes.

Customer Class	Number of Customers	Meter Sizes
Residential	448	5/8" to 1"
Commercial	58	5/8" to 3"
Industrial	0	
Public Auth.	3	1.5" & 3"
Total	509	

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

MADISON WATER UTILITY

PUBLIC FIRE PROTECTION REVENUE (SUMMARY)
Estimated for Test Year 2008

1.	MUNICIPAL CHARGE			
	Based upon Mains and Hydrants:			
	Estimated Test Year Revenue	(Per Attachment 5)		\$0
2.	MUNICIPAL CHARGE			
	Based upon a Flat Charge to Municipality:			
	Estimated Test Year Revenue	(Insert amount directly on this line)==>		\$0
3.	DIRECT CHARGE TO CUSTOMERS			
	Based upon Equivalent Meters or Equivalent Services:			
	Estimated Test Year Revenue	(Per Attachment 5)		\$1,999,610
4.	DIRECT CHARGE TO CUSTOMERS			
	Based upon a Direct Charge Method other than in number 3 above:			
	Estimated Test Year Revenue	(Insert amount directly on this line)==>		\$0
	Note: Detail Must be Submitted to PSC Supporting this Method.			
5.	CHARGES TO WHOLESALE CUSTOMERS			
	Estimated Test Year Revenue	(Insert amount directly on this line)==>		\$38,680
6.	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	(Insert amount directly on this line)==>		\$0
	TOTAL ESTIMATED TEST YEAR PUBLIC FIRE PROTECTION REVENUE			<u><u>\$2,038,290</u></u>

MADISON WATER UTILITY

PUBLIC FIRE PROTECTION REVENUE (SUPPORTING DETAIL)
Estimated For Test Year 2008

Part One: MUNICIPAL CHARGE

Based upon Mains and/or Hydrants:

	<u>Mains Inches & Larger</u>	<u>Number of Hydrants</u>	<u>Dollar Amount</u>
Base Units and Charge (Per tariff schedule)	0 feet	0 hyd	\$0
Balance - 12/31/2006	0	0	
2007 NET additions	46,955	165	
1/2 of test year 2008 NET Routine units added	16,700	48	
All of Test Year 2008 Major Units Added	<u>0</u>	<u>0</u>	
Test Year Average Units	<u>63,655</u>	<u>213</u>	
Test Year Units Over Base Units times Authorized Rates per Unit (per tariff schedule)	<u>63,655 feet</u>	<u>213 hyd</u>	
	<u>\$0.00</u>	<u>\$0.00</u>	
Increase in Revenue Over Base Amount	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Total Test Year Revenue			<u>\$0</u>

Part Two: DIRECT CHARGE TO CUSTOMERS

Based upon Equivalent Meters or Equivalent Services:

Insert Billings per Year if Different	2
---------------------------------------	---

<u>Meter Size</u>	<u>Authorized Rate</u>	<u>Average No. of Meters (per Attachment 3)</u>	<u>Annual Revenue</u>
5/8"	\$6.00	58,530	\$702,360
3/4"	\$18.00	2,260	\$81,360
1"	\$41.00	2,020	\$165,640
1 1/4"	\$0.00	0	\$0
1 1/2"	\$75.00	1,042	\$156,300
2"	\$160.00	880	\$281,600
2 1/2"	\$0.00	0	\$0
3"	\$550.00	144	\$158,400
4"	\$1,175.00	97	\$227,950
6"	\$2,250.00	22	\$99,000
8"	\$5,250.00	6	\$63,000
10"	\$8,000.00	4	\$64,000
12"	\$11,000.00	0	\$0
SUBTOTALS		<u>65,005</u>	<u>\$1,999,610</u>
Surcharges or Rounding			<u>\$0</u>
CALCULATED ANNUAL REVENUE			<u>\$1,999,610</u>

MADISON WATER UTILITY
PRIVATE FIRE PROTECTION REVENUE
Estimated For Test Year 2008

Insert Billings per Year if Different **2**

Fire Connections:	Connection Size	Average Number of Connections		Authorized Rates	Annual Revenue
		Each Billing	Annually		
	2"	62	124	\$14.80	\$1,835
	3"	13	26	\$25.50	\$663
	4"	186	372	\$37.80	\$14,062
	6"	960	1920	\$73.00	\$140,160
	8"	447	894	\$114.00	\$101,916
	10"	34	68	\$161.00	\$10,948
	12"	8	16	\$208.00	\$3,328
	14"	0	0	\$0.00	\$0
	16"	0	0	\$0.00	\$0
		<u>1710</u>	<u>3420</u>		
Total Connection Revenue					\$272,912

General Service Branches Off The Private Fire Connections	Meter Sizes	Average Number of Meters		Authorized Rates	Annual Amount
		Each Billing	Annually		
	5/8"	0	0	\$24.50	\$0
	3/4"	0	0	\$27.50	\$0
	1"	0	0	\$41.00	\$0
	1 1/4"	0	0	\$0.00	\$0
	1 1/2"	0	0	\$67.00	\$0
	2"	0	0	\$100.00	\$0
	2 1/2"	0	0	\$0.00	\$0
	3"	0	0	\$160.00	\$0
	4"	0	0	\$238.00	\$0
	6"	0	0	\$408.00	\$0
	8"	0	0	\$630.00	\$0
		<u>0</u>	<u>0</u>		
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)

\$272,912

MADISON WATER UTILITY

OPERATING REVENUES

Estimated For Test Year 2008

<u>Account Number</u>	<u>Description</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Actual 2007</u>	<u>Test Year 2008</u>
460	Unmetered Sales to General Customers					
	Residential	\$0	\$0	\$0	\$0	\$0
	Commercial	40,054	43,359	43,923	50,340	45,900
	Industrial	0	0	0	0	0
	Total unmetered sales	\$40,054	\$43,359	\$43,923	\$50,340	\$45,900
461	Metered Sales to General Customers					
	Residential	\$6,301,240	\$6,665,544	\$7,067,686	\$7,468,398	\$8,329,058 (A)
	Commercial	4,729,778	4,892,097	5,419,810	5,740,246	6,821,538 (A)
	Industrial	442,179	708,827	856,041	857,429	988,343 (A)
	Total metered sales	\$11,473,197	\$12,266,468	\$13,343,537	\$14,066,073	\$16,138,939
462	Private fire protection service	\$227,737	\$242,116	\$253,115	\$266,144	\$272,912 (B)
463	Public fire protection service	1,677,490	1,731,702	1,808,008	1,796,893	2,038,290 (C)
464	Other sales to public authorities	1,769,842	1,717,652	1,654,611	1,857,014	2,212,747 (A)
465	Sales to irrigation customers	0	0	0	0	0
466	Sales for resale	176,717	199,023	251,118	225,946	248,500
467	Interdepartmental sales	0	0	0	0	0
	Total sales of water	\$15,365,037	\$16,200,320	\$17,354,312	\$18,262,410	\$20,957,288
	Other Operating Revenues:					
470	Forfeited discounts	\$153,638	\$116,937	\$137,405	\$140,889	\$131,700
471	Miscellaneous service revenues	55,832	53,920	40,266	37,217	43,800
472	Rents from water property	0	0	312,751	325,181	396,433
473	Interdepartmental rents	0	0	0	0	0
474	Other water revenues	150,424	155,712	141,096	143,137	153,000
475	Amortization of construction grants	0	0	0	0	0
	Total other operating revenues	\$359,894	\$326,569	\$631,518	\$646,424	\$724,933
	Total Operating Revenues	\$15,724,931	\$16,526,889	\$17,985,830	\$18,908,834	\$21,682,221

NOTE: (A) 2008test year General Service Revenue estimates must come from ATTACHMENT 3.
 (B) 2008test year Private Fire Protection Revenue estimates must come from ATTACHMENT 6.
 (C) 2008test year Public Fire Protection Revenue estimates must come from ATTACHMENT 4.

MADISON WATER UTILITY

Taxes (Account 408)
Estimated For Test Year 2008

Instructions for Taxes (Account 408)

The summary should be completed as follows:

- 1) For the years 2005 and 2006 the information is from the PSC Annual Reports, page W-6.
- 2) For Estimated 2007 and Test Year 2008, 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

<u>Description</u>	<u>Instructions Reference</u>	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>Actual 2007</u>	<u>Test Year 2008</u>
Property Tax Equivalent Payable for the Year (from Attachment 9)	1) & 2)	\$2,714,348	\$2,730,315	\$3,013,247	\$3,207,963
Less: Local and school tax equivalent on meters charged to sewer dept.	1) & 3)	\$57,385	\$56,541	\$53,066	\$55,814
Net Property Tax Equivalent-Water Utility		\$2,656,963	\$2,673,774	\$2,960,181	\$3,152,149
Social Security Taxes	1)	\$306,807	\$325,276	\$361,035	\$371,800
PSC Remainder Assessment Tax	1)	\$15,373	\$14,553	\$17,738	\$20,000
Other (specify): Taxes Capitalized	1)	(\$260,874)	(\$161,843)	(\$249,438)	(\$203,200)
Total Taxes		\$2,718,269	\$2,851,760	\$3,089,516	\$3,340,749

MADISON WATER UTILITY
Property Tax Equivalent Computation
Estimated For Test Year 2008

Instructions (Instr.) for the Property Tax Equivalent Computation

1. For the years 2005-2006, use actual information reported in the PSC Annual Reports.
2. For estimated 2007 and test year 2008:
 - 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.

<u>Description</u>	<u>Instr.</u>	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>Actual 2007</u>	<u>Test Year 2008</u>
Add:					
Utility Plant - January 1	1	\$154,657,051	\$164,082,453		
Utility/Municipal Financed Plant - January 1	2a)			\$93,567,599	\$107,756,013
Contributed Plant - January 1	2a)			\$69,791,317	\$72,926,445
Major Plant Additions in Test Year	2b)				\$0
CWIP & Held for Future Use - January 1	2c)			\$15,902,494	\$11,132,800
Materials & Supplies - January 1	1,2d)	\$763,245	\$801,499	\$892,943	\$853,542
Less: Plant Outside Limits - January 1	1,2e)	\$2,997,091	\$2,987,951	\$2,884,407	\$2,884,407
Net Taxable Plant		\$152,423,205	\$161,896,001	\$177,269,946	\$189,784,393
Assessment Ratio (show as a decimal)	1,2f)	0.9732	0.9708	0.9758	0.9754
Assessed Plant Value		\$148,333,081	\$157,161,514	\$172,972,036	\$185,112,471
Current Year Net Local & Schools (L&S)					
Mill Rate (Line R below)	1,2f)	18.299006	17.372669	17.420427	17.329802
Tax Equivalent Computed for the Current					
Year (Plant Value times L&S Rate/1000)	1,3	\$2,714,348	\$2,730,315	\$3,013,247	\$3,207,963
1994 Tax Equivalent Payable in 1995	1	\$2,077,440	\$2,077,440	\$2,077,440	\$2,077,440
Tax Equivalent Authorized by Municipality	1,3				
Tax Equivalent Payable for the Current Year	1,4	\$2,714,348	\$2,730,315	\$3,013,247	\$3,207,963

<u>Mill Rate Detail</u>	<u>Line Ref.</u>	<u>Actual 2005 Total</u>	<u>Actual 2006 Total</u>	<u>Actual 2007 Total</u>	<u>Test Year 2008 Total</u>
State tax rate	(A)	0.193100	0.180700	0.174200	0.167900
County tax rate	(B)	2.456200	2.335100	2.240500	2.168600
Local tax rate	(C)	7.468300	7.211100	7.323700	7.275500
School tax rate	(D)	10.733200	10.305200	10.344800	10.215333
Voc. school tax rate	(E)	1.303500	1.247100	1.230600	1.206300
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)	22.154300	21.279200	21.313800	21.033633
Less: State Credit	(H)	1.369800	1.577200	1.667600	1.538200
Net Tax Rate	(I)	20.784500	19.702000	19.646200	19.495433
Local tax rate (Line C above)	(J)	7.468300	7.211100	7.323700	7.275500
School tax rate (Line D above)	(K)	10.733200	10.305200	10.344800	10.215333
Voc. school tax rate (Line E above)	(L)	1.303500	1.247100	1.230600	1.206300
Other tax rates-Local (Line F1 above)	(M)	0.000000	0.000000	0.000000	0.000000
Total local & schools tax rates	(N)	19.505000	18.763400	18.899100	18.697133
Total tax rate (Line G above)	(O)	22.154300	21.279200	21.313800	21.033633
Ratio of local & school tax rate to					
total tax rate (Line N divided by O)	(P)	88.041599%	88.177187%	88.670720%	88.891600%
Net Tax Rate (Line I above)	(Q)	20.784500	19.702000	19.646200	19.495433
Net local and school rate: (Line P times Q)	(R)	18.299006	17.372669	17.420427	17.329802

MADISON WATER UTILITY

OPERATING EXPENSES
Estimated For Test Year 2008

Acct. No.	Description	2004	2005	2006	3 Year Average	Actual 2007	Test Year 2008	Actual 2007	Test Year 2008
600	Operation labor	\$0	\$0	\$0	\$0	\$0	\$0		
601	Operation labor and expenses	0	0	0	0	0	0		
602	Purchased water	0	0	0	0	0	0		
603	Miscellaneous expenses	0	0	0	0	0	0		
604	Rents	0	0	0	0	0	0		
610	Maintenance supervision and engineering	17,549	19,665	16,101	17,772	21,750	22,000	Explain	Explain
611	Maintenance of structures and improvements	0	0	0	0	0	0		
612	Maint. of collecting and impounding reservoirs	28,578	15,792	43,569	29,313	79,758	61,000	Explain	Explain
613	Maintenance of lake, river, and other intakes	0	0	0	0	0	0		
614	Maintenance of wells and springs	1,345	274,639	44,525	106,836	61,249	260,000	Explain	Explain
615	Maintenance of infiltration galleries and tunnels	0	0	0	0	0	0		
616	Maintenance of supply mains	0	0	0	0	0	0		
617	Maintenance of misc. water source plant	0	0	0	0	0	0		
	Total Source of Supply Expenses	\$47,472	\$310,096	\$104,195	\$153,921	\$162,757	\$343,000		
620	Operation supervision and engineering	\$34,297	\$32,991	\$7,237	\$24,842	\$4,491	\$35,000	Explain	Explain
621	Fuel for power production	0	0	0	0	0	0		
622	Power production labor and expenses	0	0	0	0	0	0		
623	Fuel or power purchased for production	1,460,912	1,765,847	1,926,565	1,717,775	1,960,626	2,182,000	Explain	Explain
624	Pumping labor and expenses	239,727	279,589	295,729	271,682	302,720	312,400		
625	Expenses transferred--credit	0	0	0	0	0	0		
626	Miscellaneous expenses	279,595	262,735	280,315	274,215	297,901	309,000		
627	Rents	0	0	0	0	0	0		
630	Maintenance supervision and engineering	53,998	56,617	50,556	53,724	63,349	61,800	Explain	Explain
631	Maintenance of structures and improvements	87,710	78,778	94,042	86,843	85,901	87,500		
632	Maintenance of power production equipment	0	0	0	0	0	0		
633	Maintenance of pumping equipment	314,500	273,648	283,010	290,386	329,904	303,400		
	Total Pumping Expenses	\$2,470,739	\$2,750,205	\$2,937,454	\$2,719,466	\$3,044,892	\$3,291,100		
640	Operation supervision and engineering	\$40,698	\$35,562	\$15,248	\$30,503	\$24,865	\$50,000	Explain	Explain
641	Chemicals	95,809	118,115	157,312	123,745	178,729	250,000	Explain	Explain
642	Operation labor and expenses	263,944	302,198	535,747	367,296	293,509	329,000	Explain	Explain
643	Miscellaneous expenses	4,647	11,852	79,856	32,118	74,482	40,000	Explain	Explain
644	Rents	0	0	0	0	0	0		
650	Maintenance supervision and engineering	10,753	10,517	11,515	10,928	22,118	24,000	Explain	Explain
651	Maintenance of structures and improvements	0	0	0	0	0	0		
652	Maintenance of water treatment equipment	41,565	56,738	65,897	54,733	113,396	80,000	Explain	Explain
	Total Water Treatment Expenses	\$457,416	\$534,982	\$865,575	\$619,324	\$707,099	\$773,000		

NOTE: All 2007 and test year 2008 estimates that vary from the three year average by more than (plus or minus) 15 percent **must** be explained in detail in the Notes.

MADISON WATER UTILITY

OPERATING EXPENSES
Estimated For Test Year 2008

Acct. No.	Description	2004	2005	2006	3 Year Average	Actual 2007	Test Year 2008	Estimated 2007	Test Year 2008
660	Operation supervision and engineering	\$99,031	\$111,093	\$97,334	\$102,486	\$119,963	\$125,700	Explain	Explain
661	Storage facilities expenses	63,737	64,094	66,078	64,636	74,290	70,000	Explain	Explain
662	Transmission and distribution expenses	109,189	138,266	576,808	274,754	487,719	500,000	Explain	Explain
663	Meter expenses	97,414	144,280	123,134	121,609	93,983	139,800	Explain	Explain
664	Customer installations expenses	144,427	116,567	86,329	115,774	99,735	115,000	Explain	Explain
665	Miscellaneous expenses	543,359	532,385	576,173	550,639	647,235	617,000	Explain	Explain
666	Rents	0	0	0	0	0	0	0	0
670	Maintenance supervision and engineering	0	0	0	0	0	0	0	0
671	Maintenance of structures and improvements	0	0	0	0	0	0	0	0
672	Maintenance of distr.reservoirs and standpipes	9,766	3,864	8,161	7,264	5,462	125,000	Explain	Explain
673	Maintenance of transmission and distr. mains	894,509	1,236,108	1,294,285	1,141,634	1,967,137	1,275,000	Explain	Explain
674	Maintenance of fire mains	0	0	0	0	0	0	0	0
675	Maintenance of services	579,075	721,849	706,240	669,055	1,486,336	765,000	Explain	Explain
676	Maintenance of meters	128,336	134,390	147,200	136,642	129,394	140,000	Explain	Explain
677	Maintenance of hydrants	261,589	251,903	253,251	255,581	314,374	290,000	Explain	Explain
678	Maintenance of miscellaneous plant	0	0	0	0	0	0	0	0
	Total Transmission and Distribution Expenses	\$2,930,432	\$3,454,799	\$3,934,993	\$3,440,075	\$5,425,628	\$4,162,500		
901	Supervision	\$13,547	\$16,029	\$16,913	\$15,496	\$18,629	\$18,500	Explain	Explain
902	Meter reading labor	113,595	94,854	98,467	102,305	83,299	100,000	Explain	Explain
903	Customer records and collection expenses	189,197	191,940	209,924	197,020	210,885	226,500	Explain	Explain
904	Uncollectible accounts	0	0	0	0	0	0	0	0
905	Miscellaneous customer accounts expenses	0	0	0	0	0	0	0	0
906	Customer service and informational expenses	0	0	0	0	26,084	310,000	Explain	Explain
	Total Customer Accounts Expenses	\$316,339	\$302,823	\$325,304	\$314,822	\$338,897	\$655,000		
910	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
920	Administrative and general salaries	\$682,040	\$685,490	\$696,473	\$688,001	\$723,595	\$721,000	Explain	Explain
921	Office supplies and expenses	108,627	251,300	313,171	224,433	330,647	345,400	Explain	Explain
922	Administrative expenses transferred -- credit	0	0	0	0	0	0	0	0
923	Outside services employed	154,372	301,604	217,945	224,640	590,093	335,000	Explain	Explain
924	Property insurance	16,611	16,725	16,070	16,469	17,339	18,900	Explain	Explain
925	Injuries and damages	318,570	264,798	322,881	302,083	232,827	300,000	Explain	Explain
926	Employee pensions and benefits	971,530	1,283,428	1,415,650	1,223,536	1,450,738	1,434,000	Explain	Explain
928	Regulatory commission expenses	0	8,631	0	2,877	6,806	8,000	Explain	Explain
929	Duplicate charges -- credit	0	0	0	0	0	0	0	0
930	Miscellaneous general expenses	102,175	128,957	138,761	123,298	100,500	85,000	Explain	Explain
931	Rents	0	0	0	0	0	0	0	0
932	Maintenance of general plant	2,397	2,648	5,382	3,476	6,748	7,000	Explain	Explain
	Total Admin. And General Expenses	\$2,356,322	\$2,943,781	\$3,126,333	\$2,808,812	\$3,459,293	\$3,254,300		
	Total Oper. And Maint. Expenses	\$8,578,720	\$10,296,686	\$11,293,854	\$10,056,420	\$13,138,566	\$12,478,900		

NOTE: All 2007 and test year 2008 estimates that vary from the three year average by more than (plus or minus) 15 percent must be explained in detail in the Notes.

MADISON WATER UTILITY
UTILITY PLANT IN SERVICE
Estimated For Test Year 2008

Utility or Municipal Financed Transactions Only

Acct. No.	Plant account	Actual 2007		Actual Balance 12/31/2007	Test Year 2008		Estimated Balance 12/31/2008	Test Year Average Balance	
		Additions	Retirements		Major Construction Additions	Routine Construction Additions			Retirements
		Notes (A,B)		Notes (A,B)		Notes (A,B)		Note (B)	
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises and consents	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0
	Total Intangible Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Source of Supply								
310	Land and land rights	\$656,939	\$572	\$657,511	\$0	\$0	\$657,511	\$657,511	\$657,511
311	Structures and improvements	0	0	0	0	0	0	0	0
312	Collecting and impounding reservoirs	5,440,554	99,036	5,539,590	0	0	5,539,590	5,539,590	5,539,590
313	Lake, river, and other intakes	0	0	0	0	0	0	0	0
314	Wells and springs	4,029,299	0	4,029,299	0	0	4,029,299	4,029,299	4,029,299
315	Infiltration galleries and tunnels	0	0	0	0	0	0	0	0
316	Supply mains	0	0	0	0	0	0	0	0
317	Other water source plant	0	0	0	0	0	0	0	0
	Total Source of Supply Plant	\$10,126,792	\$99,608	\$10,226,400	\$0	\$0	\$10,226,400	\$10,226,400	\$10,226,400
	Pumping Plant								
320	Land and land rights	\$414	\$0	\$414	\$0	\$0	\$414	\$414	\$414
321	Structures and improvements	4,904,821	937	4,811,497	0	0	4,811,497	4,811,497	4,811,497
322	Boiler plant equipment	0	0	0	0	0	0	0	0
323	Other power production equipment	0	0	0	0	0	0	0	0
324	Steam pumping equipment	0	0	0	0	0	0	0	0
325	Electric pumping equipment	4,951,781	0	4,951,781	0	0	4,951,781	4,951,781	4,951,781
326	Diesel pumping equipment	0	0	0	0	0	0	0	0
327	Hydraulic pumping equipment	0	0	0	0	0	0	0	0
328	Other pumping equipment	15,559	0	15,559	0	0	15,559	15,559	15,559
	Total Pumping Plant	\$9,872,575	\$937	\$9,779,251	\$0	\$0	\$9,779,251	\$9,779,251	\$9,779,251
	Water Treatment Plant								
330	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331	Structures and improvements	0	0	0	0	0	0	0	0
332.1	Water treatment equipment-Filtration	0	0	0	0	0	0	0	0
332.2	Water treatment equip.-Chlorination	339,391	5,760	\$338,998	0	23,949	347,471	347,471	\$343,235
	Total Water Treatment Plant	\$339,391	\$5,760	\$338,998	\$0	\$23,949	\$347,471	\$347,471	\$343,235

MADISON WATER UTILITY
Contributed Plant
Estimated For Test Year 2008

Acct. No.	Plant account	Actual Contributed Plant 12/31/2006	Actual 2007		Actual Balance 12/31/2007	Contributed Plant Transactions Only				Estimated Balance 12/31/2008		
			Note (A)			Test Year 2008		Note (A)				
			Additions	Retirements		Major Construction Additions	Retirements	Routine Construction Additions	Retirements			
301	Intangible Plant											
	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
	Source of Supply											
310	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	0	0	0	0	0	0	0	0	0	0	0
315	Infiltration galleries and tunnels	0	0	0	0	0	0	0	0	0	0	0
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Pumping Plant											
320	Land and land rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321	Structures and improvements	0	0	261,983	0	0	0	0	0	0	261,983	0
322	Boiler plant equipment	0	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	0
324	Steam pumping equipment	0	0	0	0	0	0	0	0	0	0	0
325	Electric pumping equipment	0	0	192,652	0	0	0	0	0	0	192,652	0
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0	0	0
327	Hydraulic pumping equipment	0	0	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	0	0	0	0	0	0	0	0	0	0	0
	Total Pumping Plant	\$0	\$0	\$454,635	\$0	\$0	\$0	\$0	\$0	\$0	\$454,635	\$0

MADISON WATER UTILITY
Contributed Plant
Estimated For Test Year 2008

Acct. No.	Plant account	Contributed Plant Transactions Only									
		Actual 2007		Actual Balance 12/31/2007	Major Construction		Routine Construction		Test Year 2008		Estimated Balance 12/31/2008
		Additions	Retirements		Additions	Retirements	Additions	Retirements	Additions	Retirements	
		Note (A)			Note (A)		Note (A)		Note (A)		
		\$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
332.1	Water treatment equipment-Filtration	0	0	0	0	0	0	0	0	0	0
332.2	Water treatment equip.-Chlorination	0	0	0	0	0	0	0	0	0	0
	Total Water Treatment Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Transmission and Distribution Plant</u>											
340	Land and land rights	\$1,000	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	14,250	0	14,250	0	0	0	0	0	0	14,250
343	Transmission and distribution mains	47,350,830	2,090,893	(84,561)	49,526,284	0	0	2,481,200	75,500	0	51,931,984
344	Fire mains	0	0	0	0	0	0	0	0	0	0
345	Services	16,161,909	726,925	39,470	16,849,364	0	0	806,400	22,000	0	17,633,764
346	Meters	9,215	0	9,215	0	0	0	0	0	0	9,215
348	Hydrants	5,799,478	317,333	45,114	6,071,697	0	0	322,400	19,600	0	6,374,497
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0
	Total Transmission and Distr. Plant	\$69,336,682	\$3,135,151	\$23	\$72,471,810	\$0	\$0	\$3,610,000	\$117,100	\$0	\$75,964,710
<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	0	0	0	0	0	0	0	0	0	0
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
399	Other tangible equipment	0	0	0	0	0	0	0	0	0	0
	Total General Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$69,791,317	\$3,135,151	\$23	\$72,926,445	\$0	\$0	\$3,610,000	\$117,100	\$0	\$76,419,345

Please list the construction docket number below

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.

MADISON WATER UTILITY
DEPRECIATION ACCRUAL AND EXPENSE
Estimated For Test Year 2008

A. The Estimated 2007 Depreciation Accrual in Column (A) is to be calculated based upon the current depreciation rates.
B. The Test Year 2008 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	Actual 2007 (per Attach. 11)			Test Year 2008 (per Attachment 11)			Test Year Total
		Depr. Rate (A)	Avg. Depreciable Balance	Depreciation Accrual	Depr. Rate (B)	Average Depreciable Balance	Depreciation Accrual	
			Major	Routine	Major	Routine	Major	Routine
301-303	Total Intangible Plant	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Source of Supply							
310	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A
311	Structures and improvements	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
312	Collecting and impounding reservoirs	2.30%	\$5,490,072	126,272	0	5,539,590	0	94,173
313	Lake, river, and other intakes	0.00%	\$0	0	0	0	0	0
314	Wells and springs	2.90%	\$4,029,299	116,850	0	4,029,299	0	116,850
315	Infiltration galleries and tunnels	0.00%	\$0	0	0	0	0	0
316	Supply mains	0.00%	\$0	0	0	0	0	0
317	Other water source plant	0.00%	\$0	0	0	0	0	0
	Total Source of Supply Plant			\$243,122				\$211,023
	Pumping Plant							
320	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A
321	Structures and improvements	3.30%	\$4,858,159	\$160,319	\$0	\$4,811,497	\$0	\$153,968
322	Boiler plant equipment	0.00%	\$0	0	0	0	0	0
323	Other power production equipment	0.00%	\$0	0	0	0	0	0
324	Steam pumping equipment	0.00%	\$0	0	0	0	0	0
325	Electric pumping equipment	4.00%	\$4,951,781	198,071	0	4,951,781	0	217,878
326	Diesel pumping equipment	0.00%	\$0	0	0	0	0	0
327	Hydraulic pumping equipment	0.00%	\$0	0	0	0	0	0
328	Other pumping equipment	4.00%	\$15,559	622	0	15,559	0	685
	Total Pumping Plant			\$359,012				\$372,531
	Water Treatment Plant							
330	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A
331	Structures and improvements	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
332.1	Water treatment equipment-Filtration	0.00%	\$0	0	0	0	0	0
332.2	Water treatment equip.-Chlorination	6.70%	\$339,195	22,726	0	343,235	0	20,594
	Total Water Treatment Plant			\$22,726				\$20,594

MADISON WATER UTILITY
DEPRECIATION ACCRUAL AND EXPENSE
Estimated For Test Year 2008

Acct. No.	Plant account	Actual 2007 (per Attach. 11)			Test Year 2008 (per Attachment 11)		
		Depr. Rate (A)	Avg. Depreciable Balance	Depreciation Accrual	Depr. Rate (B)	Average Depreciable Balance	Depreciation Accrual
	<u>Transmission and Distribution Plant</u>						
340	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A
341	Structures and improvements	3.20%	\$297,965	\$9,535	3.20%	\$595,930	\$19,070
342	Distribution reservoirs and standpipes	1.90%	\$4,224,372	80,263	1.90%	5,764,806	109,531
343	Transmission and distribution mains	1.20%	\$32,395,060	388,741	1.30%	38,101,607	495,321
344	Fire mains	0.00%	\$0	0	1.30%	0	0
345	Services	2.30%	\$14,871,501	342,045	2.90%	15,984,611	463,554
346	Meters	5.50%	\$6,423,886	353,314	5.50%	6,742,305	370,827
348	Hydrants	1.60%	\$3,955,305	63,285	2.20%	4,626,173	101,776
349	Other transmission and distr. plant	0.00%	\$0	0	5.00%	0	0
	Total Transmission and Distr. Plant			\$1,237,183			\$1,560,079
	<u>General Plant</u>						
389	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A
390	Structures and improvements	2.90%	\$9,503,917	\$275,614	2.90%	\$9,511,802	\$275,842
391	Office furniture and equipment	6.70%	\$437,112	29,287	5.80%	437,112	25,352
391.1	Office furniture & equip - Computers	15.00%	\$854,902	128,235	26.70%	715,540	191,049
392	Transportation equipment	12.00%	\$2,572,005	308,641	13.30%	2,673,779	355,613
393	Stores equipment	5.80%	\$47,255	2,741	5.80%	47,255	2,741
394	Tools, shop and garage equipment	5.80%	\$753,019	43,675	5.80%	804,132	46,640
395	Laboratory equipment	5.80%	\$9,200	534	5.80%	9,200	534
396	Power operated equipment	12.00%	\$1,350,186	162,022	7.50%	1,350,186	101,264
397	Communication equipment	9.20%	\$180,403	16,597	15.00%	180,403	27,060
397.1	SCADA equipment	9.20%	\$1,147,370	105,558	9.20%	1,154,231	106,189
398	Miscellaneous equipment	0.00%	\$0	0	5.80%	0	0
399	Other tangible equipment	0.00%	\$0	0	5.80%	0	0
	Total General Plant			\$1,072,904			\$1,132,284
	Total		\$98,707,523	\$2,934,947		\$108,390,033	\$3,296,511
	Miscellaneous Credits (Charges) to Accrual			\$0			\$0
	Estimated Depreciation Accrual			\$2,934,947			\$3,296,511
	Meter depr. allocated to sewer (deduction)			(176,657)			(185,414)
	Adjustments & Depreciation charged clearing accounts, etc: add (deduct):			0			0
	(Specify)			0			0
	(Specify)			0			0
	Estimated Depreciation Expense			\$2,758,290			\$3,111,097

Acct. No.	Plant account	Actual 2007 (per Attach. 11)			Test Year 2008 (per Attachment 11)		
		Depr. Rate (A)	Avg. Depreciable Balance	Depreciation Accrual	Depr. Rate (B)	Average Depreciable Balance	Depreciation Accrual
	<u>Transmission and Distribution Plant</u>						
340	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A
341	Structures and improvements	3.20%	\$297,965	\$9,535	3.20%	\$595,930	\$19,070
342	Distribution reservoirs and standpipes	1.90%	\$4,224,372	80,263	1.90%	5,764,806	109,531
343	Transmission and distribution mains	1.20%	\$32,395,060	388,741	1.30%	38,101,607	495,321
344	Fire mains	0.00%	\$0	0	1.30%	0	0
345	Services	2.30%	\$14,871,501	342,045	2.90%	15,984,611	463,554
346	Meters	5.50%	\$6,423,886	353,314	5.50%	6,742,305	370,827
348	Hydrants	1.60%	\$3,955,305	63,285	2.20%	4,626,173	101,776
349	Other transmission and distr. plant	0.00%	\$0	0	5.00%	0	0
	Total Transmission and Distr. Plant			\$1,237,183			\$1,560,079
	<u>General Plant</u>						
389	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A
390	Structures and improvements	2.90%	\$9,503,917	\$275,614	2.90%	\$9,511,802	\$275,842
391	Office furniture and equipment	6.70%	\$437,112	29,287	5.80%	437,112	25,352
391.1	Office furniture & equip - Computers	15.00%	\$854,902	128,235	26.70%	715,540	191,049
392	Transportation equipment	12.00%	\$2,572,005	308,641	13.30%	2,673,779	355,613
393	Stores equipment	5.80%	\$47,255	2,741	5.80%	47,255	2,741
394	Tools, shop and garage equipment	5.80%	\$753,019	43,675	5.80%	804,132	46,640
395	Laboratory equipment	5.80%	\$9,200	534	5.80%	9,200	534
396	Power operated equipment	12.00%	\$1,350,186	162,022	7.50%	1,350,186	101,264
397	Communication equipment	9.20%	\$180,403	16,597	15.00%	180,403	27,060
397.1	SCADA equipment	9.20%	\$1,147,370	105,558	9.20%	1,154,231	106,189
398	Miscellaneous equipment	0.00%	\$0	0	5.80%	0	0
399	Other tangible equipment	0.00%	\$0	0	5.80%	0	0
	Total General Plant			\$1,072,904			\$1,132,284
	Total		\$98,707,523	\$2,934,947		\$108,390,033	\$3,296,511
	Miscellaneous Credits (Charges) to Accrual			\$0			\$0
	Estimated Depreciation Accrual			\$2,934,947			\$3,296,511
	Meter depr. allocated to sewer (deduction)			(176,657)			(185,414)
	Adjustments & Depreciation charged clearing accounts, etc: add (deduct):			0			0
	(Specify)			0			0
	(Specify)			0			0
	Estimated Depreciation Expense			\$2,758,290			\$3,111,097

Miscellaneous Credits (Charges) to Accrual \$0

(To Attachment 13) => \$3,296,511

(To Attachment 13) => (185,414)

50% <= Change if different allocation to sewer

50% <= Change if different clearing accounts, etc: add (deduct):

Test Year Depreciation Expense (To Attachment 14) => \$3,111,097

MADISON WATER UTILITY

Estimated For Test Year 2008

<u>Accumulated Depreciation (Account 111.1)</u>							Test Year
				Major Projects	Routine	Total	Average Balance
January 1, 2007 Balance	(Actual)					\$25,358,097	
Add: Annual Accrual	(per Attachment 12)	(A)				2,934,947	
Salvage	(Actual)				\$44,483	44,483	
Less: Retirements	(per Attachment 11)	(B)				1,017,736	
Cost of Removal	(Actual)				\$12,078	12,078	
Adjustments	increase (decrease)	(C)			0	0	
December 31, 2007 Balance	(Actual)					\$27,307,713	\$27,307,713
Add: Annual Accrual	(per Attachment 12)	(A)	\$0	\$3,296,511		3,296,511	1,648,256
Salvage	(estimated)		0	44,500		44,500	22,250
Less: Retirements	(per Attachment 11)	(B)	0	961,815		961,815	480,908
Cost of Removal	(estimated)		0	12,100		12,100	6,050
December 31, 2008 Balance	(estimated)					\$29,674,809	
						Test Year Average Balance	\$28,491,261

Materials and Supplies Inventory

Account Balances:						Test Year	
						Average Balance	
December 31, 2004	(Actual)		\$763,245				
December 31, 2005	(Actual)		801,499				
December 31, 2006	(Actual)		892,943				
December 31, 2007	(Actual)	(D)	853,542			\$426,771	
December 31, 2008	(Estimated)	(D)	849,328			\$424,664	
						Test Year Average Balance	\$851,435

Regulatory Liability and Other Adjustments

Account Balances:				Regulatory Liab			Test Year
				(Acct 253)	Other	Total	Average Balance
December 31, 2006	(Actual)	(E)	\$7,798,758	\$0	\$0		
December 31, 2007	(Actual)	(E)	\$7,340,008	0	\$7,340,008		\$3,670,004
December 31, 2008	(estimated)	(E)	\$6,881,258	0	\$6,881,258		\$3,440,629
						Test Year Average Balance	\$7,110,633

- Note: (A) The depreciation accrual totals for 2007 and 2008 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 2007 and 2008 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 18.
- (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 2007 & 2008.
- (E) Explain Other on Attachment 18.

MADISON WATER UTILITY

Estimated for Test Year 2008

Part One:	Total Operating Revenues	(per Attachment 7)	<u>\$21,682,221</u>
	Total Operation and Maintenance Expenses	(per Attachment 10)	\$12,478,900
	Depreciation Expense	(per Attachment 12)	3,111,097
	Amortization Expense--Account # 404 (specify):		0
			0
	Taxes	(per Attachment 8)	<u>3,340,749</u>
	Total Operating Expenses		<u>\$18,930,746</u>
	Net Operating Income (Loss)-Test Year 2008		<u><u>\$2,751,475</u></u>

Part Two:	Utility Plant In Service--Financed by Utility or Municipality:		
	Test Year Average Balance	(per Attachment 11)	\$110,443,689
	Materials and Supplies:		
	Test Year Average Balance	(per Attachment 13)	851,435
	Add: Working Capital		4,182,000
	Less: Accumulated Depreciation:		
	Test Year Average Balance	(per Attachment 13)	28,491,261
	Regulatory Liability and Other:		
	Test Year Average Balance	(per Attachment 13)	<u>7,110,633</u>
	Average Net Investment Rate Base (NIRB)		<u><u>\$79,875,230</u></u>

Part Three:	Average Net Investment Rate Base	(per Part Two above)	\$79,875,230
	TIMES Rate of Return Requested		
	(Enter requested rate in this box.)	<input type="text" value="8.20%"/>	8.20%
	Return on Average Net Investment Rate Base (NIRB)		<u>\$6,549,769</u> (A)
	Total Operation and Maintenance Expenses	(per Part One above)	\$12,478,900
	TIMES allowance on O&M expenses		6.00%
	Operating Allowance		<u>\$748,734</u> (B)
	Enter the larger of either:		
	The Return on NIRB (A) or the Operating Allowance (B)		\$6,549,769
	Less: Estimated Net Operating Income (Loss)	(per Part One above)	<u>2,751,475</u>
	Increase Requested-Test Year 2008		<u><u>\$3,798,294</u></u>
	Overall Percentage Increase in		
	Total Sales of Water at Current Rates:	<input type="text" value="18%"/>	

MADISON WATER UTILITY
FINANCING AND DEBT SUMMARY
Estimated For Test Year 2008

FINANCING OF PLANT ADDITIONS (Including Contributed Plant)

Description	Actual 2007	Test Year 2008
Contributed Plant by Developers	\$2,851,380	\$3,218,765
Contributed Plant by Customers	200,667	232,000
Special Assessments--Collections and Tax Roll	0	221,200
Grants for Plant Additions		
Plant Paid for by Municipality		
Plant Paid for by TIF District		
Proceeds from Debt Issued during Year		
Special Construction Funds		
Available Cash or Invested Funds	4,098,214	1,681,800
Utility Earnings		
Other: (Specify)		
Prior Year Construction Fund	11,202,235	4,593,400
Total	\$18,352,496	\$9,947,165

DEBT SUMMARY (See Instruction # 17)

- a. 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 to this email 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.
- b. If necessary, please describe unusual situations in the Notes (Attachment 18).

Description	Actual 2007		Estimated 2008		Estimated 2009	
	Annual Interest Expense (1)	Outstanding Principal End of Year	Annual Interest Expense (1)	Outstanding Principal End of Year	Annual Interest Expense (1)	Outstanding Principal End of Year
Outstanding Debt Issues - Detailed List::	\$0	\$0	\$0	\$0	\$0	\$0
1999 Revenue Bonds	\$189,788	\$0	\$0	\$0	\$0	\$0
2001A Revenue Bonds	183,385	3,710,000	175,385	3,500,000	166,723	3,280,000
2001B Refunding Bonds	8,400	0	0	0	0	0
2002 Revenue Bonds	180,205	3,625,000	172,343	3,435,000	164,268	3,235,000
2003 Revenue Bonds	819,313	16,735,000	795,763	15,935,000	767,763	15,110,000
2005A Refunding Bonds	94,869	2,305,000	81,519	1,845,000	66,569	1,360,000
2006 Revenue Bonds	644,769	14,590,000	623,169	14,030,000	600,769	13,450,000
2007A Revenue Bonds	71,028	23,890,000	1,108,033	23,170,000	994,000	22,335,000
2007B Refunding Bonds	9,153	3,295,000	142,783	3,075,000	123,000	2,795,000
2009 Revenue Bonds	0	0	0	0	300,000	12,000,000
Advance from City - WRS Prior						
Service Obligation	74,675	1,415,939	74,540	1,395,149	73,245	1,369,493
Loan from City	168,856	4,263,000	182,573	3,574,500	139,344	2,374,500
Totals	\$2,444,439	\$73,828,939	\$3,356,107	\$69,959,649	\$3,395,679	\$77,308,993

Note (1): Include as Interest Expense amounts which will be reported in Account 427, Interest on Long Term Debt; in Account 430, Interest on Debt to Municipality; and Account 431, Other Interest Charges.

MADISON WATER UTILITY

CUSTOMER NOTIFICATION

Test Year 2008

1. Pursuant to Wis. Admin. Code § PSC 2.10, your utility is required to provide notice to customers of the filing of the rate increase application and the general nature and effect of the filing.
 - a. If billing is monthly by envelope, a bill insert over one complete billing cycle is required.
 - b. If billing is by a method other than monthly by envelope, a special mailing or a display advertisement in a newspaper having general circulation in the utility's service area is required (with the following exception).
 - c. If your utility serves fewer than 1,000 customers, a notice may be posted in at least 3 public places.
2. The notice shall contain the following information:
 - a. The amount of the request.
 - b. The reasons for the request.
 - c. The date, time and location of the hearing and how customers can contact the Public Service Commission regarding scheduling questions.
 - d. The effect (dollar and percentage) on the average residential customer if the request were to be granted.
3. Your utility is required to file proof of notice no later than 3 days prior to the hearing.
4. Public Service Commission staff will assist your utility in complying with the notice requirements.

Below is an example notice that your utility may use. An electronic (Microsoft Word) version of this example notice for you to customize will be included in the e-mail confirmation which will be sent to you within two weeks of our receipt of your Application to Increase Rates.

PUBLIC NOTICE TO ALL CUSTOMERS OF {NAME OF WATER UTILITY}

The {Name of Water Utility} has filed an application with the Public Service Commission of Wisconsin (PSCW) to increase water rates. The increase is necessary {state the reason(s) for the request to increase water rates}.

The total increase in water revenues requested is \$ _____ which will result in an estimated overall rate increase of _____% over the water utility's present revenues. If the request is granted, the water bill for an average residential customer with a 5/8-inch or 3/4-inch meter who uses _____ {gallons / cubic feet} of water per {month / quarter} will increase from \$ _____ to \$ _____, or _____%.

A telephonic public hearing on the application has been scheduled for {Day of the Week}, {Month} {Day}, {Year}, at _____:____ {a.m./p.m.} in the {Room?}, {Building}, {Street Address}, {Municipality}, Wisconsin. Scheduling questions regarding this hearing may be directed to the PSCW at (608) 266-3766.

If you have any questions, please contact {{Name?}, {Title?}} / {Name of Water Utility?} at {Telephone Number}.

MADISON WATER UTILITY

MISCELLANEOUS

Test Year 2008

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 + (a) - (b)
		Units Added	Units Retired	Units Added	Units Retired	
		(a)	(b)	(a)	(b)	
Feet of Main	2007	74,648	62,963	42,270	7,000	46,955
Feet of Main-Routine	2008	22,900	20,300	34,200	3,400	33,400
Feet of Main-Major Projects	2008	0	0	0	0	0
Hydrants	2007	214	144	111	16	165
Hydrants-Routine	2008	72	48	78	6	96
Hydrants-Major Projects	2008	0	0	0	0	0

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

Select One

- No
 - Yes--Based upon actual cost to install a water service for all customers.
 - Yes--Based upon the average cost to install a 3/4 inch or 1 inch water service for a residential customer.
- Average cost is \$ _____ -

Part Three: 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. Indicate which late payment charge the utility wants to be included in its tariff.

Select One

- 3 percent one time charge
- 1 percent per month charge

Part Four: Does the utility wish to establish or revise Schedule NSF-1, the charge to customers for checks returned for non-sufficient funds?

Select One

- No
- Yes -- utility is also regulated by the PSC for electric and/or sewer rates.
- Yes -- utility is regulated by the PSC for water rates only.

What is the charge by your financial institution(s) for a non-sufficient funds (NSF) check?
 \$ 15.00 is the charge for a NSF check.

Part Five: Include any other utility proposed tariff schedule changes below.

N/A

MADISON WATER UTILITY

NOTES

Attachment 2 - Water Utility Consumer Analysis

Commercial and Public Authority both have a variance greater than 3%

We have Commercial & Public Authority customers that we bill monthly, but their consumption is still reported on a 6 month basis and the billed revenues do not match up with the reported usage

These customers would normally be billed in April and October and the revenues reported are December 2006 through November 2007

Attachment 10 - Operating Expenses

Account 610	2007	Increase	- Filling of vacant position and reallocation of payroll charges
Account 610	2008	Increase	- Filling of vacant position and reallocation of payroll charges
Account 612	2007	Increase	- Increased to address water quality issues
Account 612	2008	Increase	- Increased to address water quality issues
Account 614	2007	Decrease	- Less rehab work done in 2007 than in 3 year average
Account 614	2008	Increase	- Rehab of 3 wells budgeted for 2008
Account 620	2007	Decrease	- Vacant position and reallocation of payroll charges
Account 620	2008	Increase	- Filling of vacant position and reallocation of payroll charges
Account 623	2008	Increase	- Increase due to higher electricity rates
Account 630	2007	Increase	- Filling of vacant position and reallocation of payroll charges
Account 630	2008	Increase	- Filling of vacant position and reallocation of payroll charges
Account 640	2007	Decrease	- Vacant position and reallocation of payroll charges
Account 640	2008	Increase	- Filling of vacant position and reallocation of payroll charges
Account 641	2007	Increase	- Increase due to higher chemical costs
Account 641	2008	Increase	- Increase due to higher chemical costs
Account 642	2007	Decrease	- Decrease due to less sampling and testing of water
Account 643	2007	Increase	- Increase due to purchase of treatment supplies
Account 643	2008	Increase	- Increase due to purchase of treatment supplies
Account 650	2007	Increase	- Filling of vacant position and reallocation of payroll charges
Account 650	2008	Increase	- Filling of vacant position and reallocation of payroll charges
Account 652	2007	Increase	- Increase due to increased maintenance costs on chlorinators and chlorine analyzers, and the implementation of a new standard operating procedure for chlorine residuals in the water
Account 652	2008	Increase	- Increase due to increased maintenance costs on chlorinators and chlorine analyzers, and the implementation of a new standard operating procedure for chlorine residuals in the water
Account 660	2007	Increase	- Filling of vacant position and reallocation of payroll charges
Account 660	2008	Increase	- Filling of vacant position and reallocation of payroll charges
Account 662	2007	Increase	- Unidirectional flushing program started in 2006
Account 662	2008	Increase	- Unidirectional flushing program started in 2006
Account 663	2007	Decrease	- Decrease due to a reallocation of charges between large and small meters
Account 665	2007	Increase	- Increase due to reallocation of payroll charges
Account 672	2007	Decrease	- Decrease due to less maintenance on reservoirs
Account 672	2008	Increase	- Anticipated painting of the High Point Road reservoir in 2008
Account 673	2007	Increase	- Due to closing a large number of work orders in 2007 where the cost of removal was much greater than PSC guidelines allow Number of leaks in 2007 also much greater than the 3 year average
Account 675	2007	Increase	- Due to closing a large number of work orders in 2007 where the cost of removal was much greater than PSC guidelines allow

Account 677	2007	Increase	- Due to closing a large number of work orders in 2007 where the cost of removal was much greater than PSC guidelines allow
Account 901	2007	Increase	- Increase due to reallocation of payroll charges
Account 901	2008	Increase	- Increase due to reallocation of payroll charges
Account 902	2007	Decrease	- Due to 2 new Meter Readers hired at entry level in 2007 & Meter Shop employees filling in instead of hourlies
Account 906	2007	Increase	- Actual water conservation expenses - new account
Account 906	2008	Increase	- Water conservation budget including \$250,000 for toilet rebates during the implementation of the Utility's new Conservation and Sustainability Plan
Account 921	2007	Increase	- Increased expenses due to new office complex aren't reflected in the 3 year average
Account 921	2008	Increase	- Increased expenses due to new office complex aren't reflected in the 3 year average
Account 923	2007	Increase	- Increase due to closing more projects in 2007 (5) than in the 3 year average
Account 923	2008	Increase	- Expected use of consultants for well site selection processes
Account 925	2007	Decrease	- Decrease due to lower Workers Compensation charges
Account 926	2007	Increase	- In 2005 we began the amortization of WRS prior service liability payment as a deferred debit - \$147,000 per year 2007 continues this along with an increase in health insurance premiums of 10%
Account 926	2008	Increase	- In 2005 we began the amortization of WRS prior service liability payment as a deferred debit - \$147,000 per year 2008 continues this along with an increase in health insurance premiums of 10%
Account 928	2007	Increase	- Madison Water Utility is embarking upon a yearly application to increase rates
Account 928	2008	Increase	- Madison Water Utility is embarking upon a yearly application to increase rates
Account 930	2007	Decrease	- Due to moving conservation expenses to account 906
Account 930	2008	Decrease	- Due to moving conservation expenses to account 906
Account 932	2007	Increase	- Increased number of maintenance agreements on office equipment and their increased costs
Account 932	2008	Increase	- Increased number of maintenance agreements on office equipment and their increased costs

Reservoir Painting Schedule		Last Year	Estimated Year	Estimated	
	ID#	Painted	Amount	Next Painting	Cost to Paint
Allis Heights	9	2002	398,397	2022	in 2008
Norddness	115	2001	336,986	2021	280,000
LA Smith Standpipe	20	1999	407,685	2019	250,000
LA Smith Elevated Tank	120	1988	10,091	2009	280,000
Lakeview	113	1990	38,862	to be removed from system	150,000
UW #26 Elevated Tank	26	New in 1988		2008	
High Crossing Tower	315	New in 1994		2014	150,000
Sprecher Tower	225	New in 2001		2020	200,000
			Total		<u>200,000</u>
			Average per year 2008-2022		1,510,000
					100,667

MADISON WATER UTILITY

STEP II MAJOR PLANT DETAIL
Test Year 2008

USE ONLY FOR "MAJOR" PLANT NOT COMPLETED NOR PLACED IN SERVICE BY THE END OF THE TEST YEAR

<u>Summary of Plant Additions (Retirements) in Step II</u>		Addition (Retirement) Amount	Depreciation	
<u>Account Number</u>	<u>Description</u>		<u>Rate</u>	<u>Expense</u>
<u>Financed by Utility or Municipality:</u>		\$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	<u>0</u>	Depreciation Total	<u>\$0</u>
<u>Contributed Plant:</u>		0		
		0		
		0		
		0		
		0		
	Total Contributed Plant	<u>0</u>		
Total Step II NET Plant Additions		\$0		
Less: Plant Outside Municipality		<u>0</u>		
Net Taxable Plant		\$0		
Times Assessment Ratio (per Attachment 9)		0.975383		
Times Net Local and School Rate (per Attachment 9)		<u>17.329802</u>		
Calculated Tax Equivalent--Step II			\$0	
Calculated Tax Equivalent -- Step I (per Attachment 9)			<u>3,207,963</u>	
Tax Equivalent Computed (Combined Total Step I and II)			<u>\$3,207,963</u>	
1994 Tax Equivalent Payable in 1995 (per Attachment 9)			<u>\$2,077,440</u>	
If the municipality has authorized a lower amount as allowed by Wis. Stat. § 66.069 (1)(c), 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)			\$3,207,963	
Less: Meter Allocation to Sewer (Attachment 8)			<u>55,814</u>	
Step I and Step II Combined Net Property Tax Equivalent-Water Utility			<u>\$3,152,149</u>	

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

MADISON WATER UTILITY
STEP II SUMMARY
Test Year 2008

		Step I Total Per <u>Attachment 14</u>	Step II <u>Additional</u>	Combined <u>Total</u>
Part One:	Total Operating Revenues	\$21,682,221	\$0	\$21,682,221
	Total Operation and Maintenance Expenses	\$12,478,900	\$0	\$12,478,900
	Depreciation Expense	3,111,097	0	3,111,097
	Amortization Expense--Acct # 404 (If Step II--specify):	0	0	0
	Taxes	3,340,749	0	3,340,749
	Total Operating Expenses	\$18,930,746	\$0	\$18,930,746
	Net Operating Income (Loss)--Test Year 2008	\$2,751,475	\$0	\$2,751,475
Part Two:	Plant In Service--Financed by Utility or Municipality	\$110,443,689	\$0	\$110,443,689
	Materials and Supplies	851,435	0	851,435
	Add: Working Capital			4,182,000
	Less: Accumulated Depreciation	28,491,261	0	28,491,261
	Less: Regulatory Liability and Other	7,110,633	0	7,110,633
	Net Investment Rate Base (NIRB)	\$75,693,230	\$0	\$79,875,230
Part Three:	Average Net Investment Rate Base		(per Part Two above)	\$79,875,230
	TIMES Rate of Return Requested for Step II:			
	The requested return can be different than in Step I. Enter the Step II requested rate in this box.	8.20%		8.20%
	Return on Average Net Investment Rate Base (NIRB)			\$6,549,769 (A)
	Total Operation and Maintenance Expenses		(per Part One above)	\$12,478,900
	TIMES allowance on O&M expenses			6.00%
	Operating Allowance			\$748,734 (B)
	Enter the larger of either:			
	The Return on NIRB (A) or the Operating Allowance (B)			\$6,549,769
	Less: Estimated Net Operating Income (Loss)--Combined Step I and II		(per Part One above)	\$2,751,475
	Increase Requested--Test Year 2008--Combined Step I and II			\$3,798,294
	Overall Percentage Increase in Total Sales of Water <u>at Current Rates:</u>		18%	

MADISON WATER UTILITY
STEP II
NOTES
Test Year 2008

Step II Major Project(s) Authorization Docket Number(s)⇒

Briefly Describe the Major Project(s) Below:

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

Filing the Application to Increase Water Rates (rate application)

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 (Attachment 18).
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 (ERF) system, copies may be reproduced from the ERF system also.

Detailed instructions and guidelines can be found on the PSC's Electronic Regulatory Filing (ERF) system web site at: http://psc.wi.gov/apps/erf_public/info/document.htm.

Effective January 1, 2004, all new formal rate case applications and subsequent filings of documents 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/apps/erf_public/default.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://psc.wi.gov/apps/erf_public/default.aspx to submit filings to the PSC.
2. 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 pscrecs@psc.state.wi.us.
9. For any questions about the technical functions of the ERF system, please contact Paul Newman, the PSC's Chief Information Officer, at (608) 267-5112 or via e-mail at paul.newman@psc.state.wi.us.