Meeting Date: 1/9/12
Agenda Item: #6a

Mission Statement
Provide quality services in a modern, courteous and cost-efficient manner.

VILLAGE BOARD MEETING STAFF REPORT

REPORT TO: President Burt McIntyre and Village Board of Trustees

REPORT FROM: Chris Haltom, Executive Director of Administrative Services

AGENDA ITEM: Review and take action on proposed rate study from Schenck S.C.

POLICY ISSUE
Should the Village Board accept the rate study and request to forward the study to the PSC for increasing water rates in 2012?

RECOMMENDED ACTION BY VILLAGE BOARD
Village staff recommends the Village Board accept the rate study and recommend forwarding to the PSC for their review and adoption of new rates. If the Board agrees, the following motion could be made:

"I move to accept the rate study proposed by Schenck and request to forward the water rate study to the PSC for their review and adoption of new rates for 2012."

POLICY ALTERNATIVE(S)
The Village Board could take the following action:
- Leave rates unchanged by not accepting the study.
- Table the item and request additional information.

FINANCIAL INFORMATION

FISCAL IMPACT:

1. Is There A Fiscal Impact? Yes
2. Is it Currently Budgeted? N/A
3. If Budgeted, Which Line? N/A

FICSAL SYNOPSIS:

Without a rate increase, the water utility will be unable to continue to finance operations and infrastructure improvements in future years.

BACKGROUND INFORMATION
After reporting the third quarter results for the water utility in October 2011, I asked the board if the village could contract with a consultant to perform a rate study for the water utility. There were two issues that created the need for the study; (1) refinancing of the utility's debt to a lower interest rate and (2) low operating results reported for third quarter. The board gave their

approval to go ahead with a rate study for determining the best rates for 2012 for the water utility.

Schenck S.C.'s partner, Dave Maccoux will be at the board meeting to discuss the study his firm performed for the village. His firm is ready to forward the study to the PSC for their review and approval of new rates for 2012. The rates would become effective after the PSC's review process if completed and a telephonic public hearing is performed which would be an estimated two months after submitting the study to them.

The rate study is proposing an increase in rates of approximately 13% (see Attachments 14 and 21 of the study). Staff believes an increase is warranted given the low operating results anticipated in 2011; should rates remain unchanged, the utility would be operating in a loss position in 2012.

ATTACHED INFORMATION

I. Copy of the Rate Study Prepared by Schenck

HOWARD VILLAGE OF WTR & SWR DEP

PART 1:

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

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

Select One
○ 100 Cubic Feet (CCF'S)
● 1,000 Gallons (000 gallons)

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

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

LISTING OF LARGEST CUSTOMERS BILLED

Customer Name	Class	Meter Size	Billing Date	Billed Consumption
Jim Hartjes	Res.	3/4"	1/31/2011	144
Carl Knackstedt	Res.	3/4"	12/31/2010	34
James Vandeyacht	Res.	3/4"	8/31/2011	32
Lutheran Social Services	Res.	3/4"	10/31/2011	22
Omnova Solutions Inc	Com.	8"	10/31/2011	3,050
American Medical Security	Com.	3"	8/31/2011	910
Comfort Suites	Com.	2"	7/31/2011	457
Alive & Kickin' Pizza Crust Co	Com.	2"	10/31/2011	367
EKA Chemical	Ind.	6"	7/31/2011	5,962
Anamax	Ind.	4"	12/31/2010	787
Anamax	Ind.	3/4"	7/31/2011	29
Seaway	Ind.	3/4"	10/31/2011	20
Howard-Suamico School District	P.A.	6"	7/31/2011	488
Howard-Suamico School District	P.A.	4"	10/31/2011	380
Howard-Suamico School District	P.A.	3"	10/31/2011	240
Brown County	P.A.	2"	1/31/2011	81

PART 2:

Provide information about your billing procedures.

1. How do you send your water bills?
   - ☑ Postcards
   - ☐ Envelopes

2. What is your billing frequency for residential customers?
   - ☑ Monthly
   - ☐ Quarterly
   - ☐ Other (describe): _____

3. How frequently do you read residential customer meters?
   - ☑ Monthly
   - ☐ Quarterly
   - ☐ Other (describe): _____

4. Which of the following best describes the manner in which you read meters each billing period?
   - ☑ All meters are read within one 24-hour period.
   - ☐ Meters are read continuously on consecutive days until complete.
   - ☐ Meters are read in cycles (e.g., one-third of customers are read each month). Please explain:

_____

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

HOWARD VILLAGE OF WTR & SWR DEP

WATER UTILITY CONSUMER ANALYSIS

Insert Number of Billings per Year (if different)===> 12

Actual Latest 12 Months Ending: October 31, 2011

Authorized Rates			Residential		Commercial		Industrial		Public Authority		Total	
Volume Charges:			Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
	Gallons	Per 1,000 Gallons										
FIRST	10,000	$5.45	239,323	$1,304,310	38,469	$209,656	517	$2,818	2,035	$11,091	280,344	$1,527,875
NEXT	90,000	$4.70	9,475	44,533	73,713	346,451	2,276	10,697	6,561	30,837	92,025	432,518
NEXT		$0.00	0	0	0	0	0	0	0	0	0	0
OVER	100,000	$3.60	44	158	48,783	175,619	67,020	241,272	4,742	17,071	120,589	434,120
SUBTOTALS			248,842	$1,349,001	160,965	$731,726	69,813	$254,787	13,338	$58,999	492,958	$2,394,513
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"	$11.70	0	$0	0	$0	0	$0	0	$0	0	$0
	3/4"	$11.70	5,209	731,344	400	56,160	2	281	5	702	5,616	788,487
	1"	$15.60	4	749	103	19,282	0	0	4	749	111	20,780
	1 1/4"	$21.75	0	0	0	0	0	0	0	0	0	0
	1 1/2"	$29.00	0	0	60	20,880	0	0	4	1,392	64	22,272
	2"	$42.00	0	0	94	47,376	0	0	8	4,032	102	51,408
	2 1/2"	$55.00	0	0	0	0	0	0	0	0	0	0
	3"	$69.00	0	0	12	9,936	0	0	5	4,140	17	14,076
	4"	$108.00	0	0	4	5,184	1	1,296	2	2,592	7	9,072
	6"	$195.00	0	0	0	0	1	2,340	1	2,340	2	4,680
	8"	$286.00	0	0	1	3,432	0	0	0	0	1	3,432
	10"	$390.00	0	0	0	0	0	0	0	0	0	0
	12"	$520.00	0	0	0	0	0	0	0	0	0	0
SUBTOTALS			5,213	$732,093	674	$162,250	4	$3,917	29	$15,947	5,920	$914,207
Surcharges, etc.				$0		$0		$0		$0		$0
Total Revenues Per Analysis				$2,081,094		$893,976		$258,704		$74,946		$3,308,720
Total Actual Billed Revenues				$2,078,473		$884,113		$254,908		$75,160		$3,292,654
Dollar Variance				$2,621		$9,863		$3,796		($214)		$16,066
Percent Variance (B)				0.13%		1.10%		1.47%		-0.29%		0.49%

(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.

HOWARD VILLAGE OF WTR & SWR DEP
Test Year 2012
0
Sales Forecast Historical

Attachment 2A

Residential

Year	Avg. # Customers	Usage (Mgals)	Avg/Cust/Qtr (Mgals)	Change in Customer Ct
2007	4,950	365,042	18.44	0
2008	5,048	301,229	14.92	98
2009	5,048	282,664	14.00	0
2010	5,163	253,528	12.28	115
2011	5,213	248,800	11.93	50
2012	5,253	248,855	11.84	40
Averages:				
5-year avg	5,084	290,253	14.27	0.00
4-year avg	5,118	271,555	13.26	65.75
3-year avg	5,141	261,664	12.72	55.00
2-year avg	5,188	251,164	12.10	82.50
2011	5,213	248,800	11.93	50.00

Commercial

Year	Avg. # Customers	Usage (Mgals)	Avg/Cust/Qtr (Mgals)	Change in Customer Ct
2007	657	164,128	62.45	0
2008	668	142,370	53.28	11
2009	674	165,596	61.42	6
2010	676	162,480	60.09	2
2011	674	161,000	59.72	-2
2012	674	161,015	59.72	0
Averages:				
5-year avg	670	159,115	59.39	0.00
4-year avg	673	157,862	58.64	4.25
3-year avg	675	163,025	60.41	2.00
2-year avg	675	161,740	59.90	0.00
2011	674	161,000	59.72	-2.00

Industrial

Year	Avg. # Customers	Usage (Ccf's)	Avg/Cust/Qtr (Ccf's)	Change in Customer Ct
2007	5	178,451	8922.55	0
2008	5	94,218	4710.90	0
2009	4	49,869	3116.81	-1
2010	4	62,287	3892.94	0
2011	4	69,800	4362.50	0
2012	4	69,840	4365.00	0
Averages:				
5-year avg	4	90,925	5166.19	0.00
4-year avg	4	69,044	4061.38	-0.25
3-year avg	4	60,652	3790.75	-0.33
2-year avg	4	66,044	4127.72	0.00
2011	4	69,800	4362.50	0.00

Public Authority

Year	Avg. # Customers	Usage (Ccf's)	Avg/Cust/Qtr (Ccf's)	Change in Customer Ct
2007	28	17,596	157.11	0
2008	28	19,260	171.96	0
2009	28	15,014	134.05	0
2010	29	16,846	145.22	1
2011	29	13,338	114.98	0
2012	29	13,400	115.52	0
Averages:				
5-year avg	28	16,411	144.46	0.00
4-year avg	29	16,115	141.36	0.25
3-year avg	29	15,066	131.39	0.33
2-year avg	29	15,092	130.10	0.50
2011	29	13,338	114.98	0.00

HOWARD VILLAGE OF WTR & SWR DEP

WATER UTILITY CONSUMER ANALYSIS
Estimated For Test Year 2012

Insert Number of Billings per Year (if different)===> 12

	Authorized Rates		Residential		Commercial		Industrial		Public Authority		Total	
Volume Charges:	Gallons	Per 1,000 Gallons	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
FIRST	10,000	$5.45	239,330	$1,304,349	38,500	$209,825	520	$2,834	2,050	$11,173	280,400	$1,528,181
NEXT	90,000	$4.70	9,480	44,556	73,715	346,461	2,300	10,810	6,600	31,020	92,095	432,847
NEXT	0	$0.00	0	0	0	0	0	0	0	0	0	0
OVER	100,000	$3.60	45	162	48,800	175,680	67,020	241,272	4,750	17,100	120,615	434,214
	SUBTOTALS		248,855	$1,349,067	161,015	$731,966	69,840	$254,916	13,400	$59,293	493,110	$2,395,242

Meter Charges:		Average	(A)	Average	(A)	Average	(A)	Average	(A)	Average	
Meter Size	Each Billing	No. of Meters	Annual Revenues	No. of Meters	Annual Revenues	No. of Meters	Annual Revenues	No. of Meters	Annual Revenues	No. of Meters	Annual Revenues
5/8"	$11.70	0	$0	0	$0	0	$0	0	$0	0	$0
3/4"	$11.70	5,249	736,960	400	56,160	2	281	5	702	5,656	794,103
1"	$15.60	4	749	103	19,282	0	0	4	749	111	20,780
1 1/4"	$21.75	0	0	0	0	0	0	0	0	0	0
1 1/2"	$29.00	0	0	60	20,880	0	0	4	1,392	64	22,272
2"	$42.00	0	0	94	47,376	0	0	8	4,032	102	51,408
2 1/2"	$55.00	0	0	0	0	0	0	0	0	0	0
3"	$69.00	0	0	12	9,936	0	0	5	4,140	17	14,076
4"	$108.00	0	0	4	5,184	1	1,296	2	2,592	7	9,072
6"	$195.00	0	0	0	0	1	2,340	1	2,340	2	4,680
8"	$286.00	0	0	1	3,432	0	0	0	0	1	3,432
10"	$390.00	0	0	0	0	0	0	0	0	0	0
12"	$520.00	0	0	0	0	0	0	0	0	0	0
SUBTOTALS		5,253	$737,709	674	$162,250	4	$3,917	29	$15,947	5,960	$919,823
Surcharges, etc.			$0		$0		$0		$0		$0
Total Revenues Per Analysis			$2,086,776		$894,216		$258,833		$75,240		$3,315,065

Estimated Customer Growth for the Test Year:

Customer Class	Number of Customers	Meter Sizes
Residential	40	3/4"
Commercial	0	
Industrial	0	
Public Auth.	0	
Total	40	

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

Provide details for any increase or decrease for large customers and the consumption effect by customer class.

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

HOWARD VILLAGE OF WTR & SWR DEP
Test Year 2012
Wholesale Revenues

ATTACHMENT 3A

NOTE: Only applies to utilities selling water at wholesale to another utilty.

Historical data (Mgals)

	Wholesale Community -->	Total	0	0	0	0	0	0	0	0	0	0
Year												
2006		0	0	0	0	0	0	0	0	0	0	0
2007		0	0	0	0	0	0	0	0	0	0	0
2008		0	0	0	0	0	0	0	0	0	0	0
2009		0	0	0	0	0	0	0	0	0	0	0
2010		0	0	0	0	0	0	0	0	0	0	0
5-Year Average		0	0	0	0	0	0	0	0	0	0	0
4-Year Average		0	0	0	0	0	0	0	0	0	0	0
3-Year Average		0	0	0	0	0	0	0	0	0	0	0
2-Year Average		0	0	0	0	0	0	0	0	0	0	0
Enter Utility Estimates on this Line		0	0	0	0	0	0	0	0	0	0	0

Test Year Estimates

Public Fire Protection Service

	Wholesale Community -->	Total	0	0	0	0	0	0	0	0	0	0
Service Charge	Semiannual/qtrly/monthly -->		0	0	0	0	0	0	0	0	0	0
	Rate		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0	0	0	0	0	0	0	0	0	0	0

General Service

	Wholesale Community -->	Total	0	0	0	0	0	0	0	0	0	0
Service Charge	Semiannual/qtrly/monthly -->		0	0	0	0	0	0	0	0	0	0
	Rate		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0	0	0	0	0	0	0	0	0	0	0
Volume Charge												
	Mgals (derived from above)		0	0	0	0	0	0	0	0	0	0
	Rate		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0	0	0	0	0	0	0	0	0	0	0

2012 Wholesale PFP Test Year Estimate	0
2012 Wholesale General Service Test Year Estimate	0

HOWARD VILLAGE OF WTR & SWR DEP

PUBLIC FIRE PROTECTION REVENUE (SUMMARY)

Estimated for Test Year 2012

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)==> $397,000

3. DIRECT CHARGE TO CUSTOMERS
   Based upon Equivalent Meters or Equivalent Services:
   Estimated Test Year Revenue (Per Attachment 5) $674,089

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 (Per attachment 3A) $0

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 $1,071,089

Sheet: Attach5.xls
2012 Test Year

ATTACHMENT 5

HOWARD VILLAGE OF WTR & SWR DEP

PUBLIC FIRE PROTECTION REVENUE (SUPPORTING DETAIL)
Estimated for Test Year 2012

Part One: MUNICIPAL CHARGE
Based upon Mains and/or Hydrants:

	Mains Inches & Larger		Number of Hydrants		Dollar Amount
Base Units and Charge (Per tariff schedule)	0	feet	0	hyd	$0
Balance - 12/31/2010	0		0		
2011 NET additions	4,893		2		
1/2 of test year 2012 NET Routine units added	600		3		
All of Test Year 2012 Major Units Added	0		0		
Test Year Average Units	5,493		5		
Test Year Units Over Base Units	5,493	feet	5	hyd	
times Authorized Rates per Unit (per tariff schedule)	$0.00		$0.00		
Increase in Revenue Over Base Amount	$0		$0		$0
Estimated Total Test Year Revenue					$0

Part Two: DIRECT CHARGE TO CUSTOMERS
Based upon Equivalent Meters or Equivalent Services:

Insert Billings per Year if Different	**12**

Meter Size	Authorized Rate	Average No. of Meters (per Attachment 3)	Annual Revenue
5/8"	$7.30	0	$0
3/4"	$7.30	5,656	$495,466
1"	$18.30	111	$24,376
1 1/4"	$27.00	0	$0
1 1/2"	$37.00	64	$28,416
2"	$59.00	102	$72,216
2 1/2"	$92.00	0	$0
3"	$110.00	17	$22,440
4"	$183.00	7	$15,372
6"	$366.00	2	$8,784
8"	$585.00	1	$7,020
10"	$878.00	0	$0
12"	$1,170.00	0	$0
SUBTOTALS		5,960	$674,089
Surcharges or Rounding			$0
CALCULATED ANNUAL REVENUE			$674,089

HOWARD VILLAGE OF WTR & SWR DEP

PRIVATE FIRE PROTECTION REVENUE

Estimated for Test Year 2012

Insert Billings per Year if Different	12

Fire Connections:

Connection Size	Average Number of Connections Each Billing	Annually	Authorized Rates	Annual Revenue
2" or smaller	3	36	$8.00	$288
3"	0	0	$11.00	$0
4"	4	48	$17.00	$816
6"	29	348	$34.00	$11,832
8"	30	360	$55.00	$19,800
10"	4	48	$83.00	$3,984
12"	2	24	$91.00	$2,184
14"	0	0	$0.00	$0
16"	0	0	$0.00	$0
	72	864		

Total Connection Revenue $38,904

General Service Branches Off The Private Fire Connections

Meter Sizes	Average Number of Meters Each Billing	Annually	Authorized Rates	Annual Amount
5/8"	0	0	$11.70	$0
3/4"	0	0	$11.70	$0
1"	0	0	$15.60	$0
1 1/4"	0	0	$21.75	$0
1 1/2"	0	0	$29.00	$0
2"	0	0	$42.00	$0
2 1/2"	0	0	$55.00	$0
3"	0	0	$69.00	$0
4"	0	0	$108.00	$0
6"	0	0	$195.00	$0
8"	0	0	$286.00	$0
	0	0		

Total General Branch Connection Revenues $0

If Applicable, the Authorized Credit is Usually 30% of Total General Branch Revenues.
(However, the credit may be at a different percentage or if N/A, enter zero)

Insert Authorized Credit Percentage in this box (if applicable): $0

Total Estimated Test Year Revenue (Connection Revenue less Credit Amount) $38,904

HOWARD VILLAGE OF WTR & SWR DEP

OPERATING REVENUES
Estimated for Test Year 2012

Account Number	Description	2008	2009	2010	Estimated 2011	Test Year 2012	
460	Unmetered Sales to General Customers						
	Residential	$0	$0	$0	$0	$0	
	Commercial	0	0	0	0	0	
	Industrial	0	0	0	0	0	
	Public Authority	0	0	0	0	0	
	Total unmetered sales	$0	$0	$0	$0	$0	
461	Metered Sales to General Customers						
	Residential	$2,338,154	$2,077,227	$1,983,753	$2,080,000	$2,086,776	**(A)**
	Commercial	829,574	832,851	828,917	880,000	894,216	**(A)**
	Industrial	308,956	162,019	190,713	255,000	258,833	**(A)**
	Public Authority	102,925	77,737	69,673	75,000	75,240	**(A)**
	Total metered sales	$3,579,609	$3,149,834	$3,073,056	$3,290,000	$3,315,065	
462	Private fire protection service	$40,471	$39,349	$38,715	$38,900	$38,904	**(B)**
463	Public fire protection service	1,107,614	1,062,423	1,065,725	1,070,000	1,071,089	**(C)**
465	Other water sales	0	0	0	0	0	
466	Sales for resale	0	0	0	0	0	
467	Interdepartmental sales	0	0	0	0	0	
	Total sales of water	$4,727,694	$4,251,606	$4,177,496	$4,398,900	$4,425,058	
	Other Operating Revenues:						
470	Forfeited discounts	$43,251	$34,532	$34,969	$35,500	$35,500	
472	Rents from water property	0	0	0	0	0	
473	Interdepartmental rents	0	0	0	0	0	
474	Other water revenues	74,164	72,815	30,334	30,500	32,000	
	Total other operating revenues	$117,415	$107,347	$65,303	$66,000	$67,500	
	Total Operating Revenues	$4,845,109	$4,358,953	$4,242,799	$4,464,900	$4,492,558	

NOTE: (A) 2012 test year General Service Revenue estimates must come from ATTACHMENT 3.
(B) 2012 test year Private Fire Protection Revenue estimates must come from ATTACHMENT 6.
(C) 2012 test year Public Fire Protection Revenue estimates must come from ATTACHMENT 4.

HOWARD VILLAGE OF WTR & SWR DEP

Taxes (Account 408)
Estimated for Test Year 2012

Instructions for Taxes (Account 408)

The summary should be completed as follows:

1) For the years 2009 and 2010 the information is from the PSC Annual Reports, page W-6.
2) For Estimated 2011 and Test Year 2012, the Property Tax Equivalent must agree with the Property Tax Equivalent Computation on Attachment 9.
3) If the sewer department DOES NOT USE the meter reading of the water utility for determining the sewer bill, then the Meter Balance allocation should not be deducted. **Insert if other than 50%. ==>** 50

Description	Instructions Reference	Actual 2009	Actual 2010	Estimated 2011	Test Year 2012
Property Tax Equivalent Payable for the Year (from Attachment 9)	1) & 2)	$296,856	$317,360	$341,045	$347,545
Less: Local and school tax equivalent on meters charged to sewer dept.	1) & 3)	$6,940	$7,322	$7,479	$7,479
Net Property Tax Equivalent-Water Utility		$289,916	$310,038	$333,566	$340,066
Social Security Taxes	1)	$22,392	$23,084	$25,000	$25,000
PSC Remainder Assessment Tax	1)	$4,362	$3,900	$4,000	$4,000
Other (specify):	1)	$0	$0	$0	$0
Total Taxes		$316,670	$337,022	$362,566	$369,066

HOWARD VILLAGE OF WTR & SWR DEP

Property Tax Equivalent Computation
Estimated for Test Year 2012

Instructions (Instr.) for the Property Tax Equivalent Computation

1. For the years 2009-2010, use actual information reported in the PSC Annual Reports.
2. For estimated 2011 and test year 2012:
   a) Plant - January 1 must come from Attachment 11 (Utility/Municipal Financed Plant) and Attachment 11a (Contributed Plant).
   b) Major Plant Additions (Both Utility Financed and Contributed) are included for the Test Year for rate case purposes.
   c) Construction Work In Progress (CWIP) and Plant Held for Future Use - January 1;
   excluding any amounts included as Major Plant Additions in Test Year.
   d) Materials and Supplies - January 1 must come from Attachment 13.
   e) Plant Outside Limits-January 1 - State the basis for any change from prior year.
   f) The utility must state what assumptions it made with regard to projecting the tax rates and assessment ratio.
3. If the municipality has authorized an amount as allowed by Wis. Stat. § 66.0811(2) [formerly § 66.069 (1)(c)], then place that amount on this line. If no authorization, leave blank.
4. If the municipality has authorized an amount as allowed by Wis. Stat. § 66.0811(2), then that amount is the tax equivalent payable for the current year. If not, then the tax equivalent payable for the current year is the larger of either the tax equivalent computed for the current year or the 1994 tax equivalent payable in 1995.
5. The property tax equivalent is not applicable to Water Sanitary Districts.

Description	Instr.	Actual 2009	Actual 2010	Estimated 2011	Test Year 2012
Add:					
Utility Plant - January 1	1	$23,946,150	$24,281,077		
Utility/Municipal Financed Plant - January 1	2a)			$15,218,597	$15,696,972
Contributed Plant - January 1	2a)			$10,852,553	$10,872,358
Major Plant Additions in Test Year	2b)				$0
CWIP & Held for Future Use - January 1	2c)			$0	$0
Materials & Supplies - January 1	1,2d)	$59,117	$45,146	$70,000	$70,000
Less: Plant Outside Limits - January 1	1,2e)	$0	$0	$0	$0
Net Taxable Plant		$24,005,267	$24,326,223	$26,141,150	$26,639,330
Assessment Ratio (**show as a decimal**)	1,2f)	0.9795	1.0078	1.0078	1.0078
Assessed Plant Value		$23,513,159	$24,515,432	$26,345,051	$26,847,117
Current Year Net Local & Schools (L&S) Mill Rate (Line R below)	1,2f)	12.625084	12.945324	12.945325	12.945325
Tax Equivalent Computed for the Current Year (Plant Value times L&S Rate/1000)	1,3	$296,856	$317,360	$341,045	$347,545
1994 Tax Equivalent Payable in 1995	1	$200,555	$200,555	$200,555	$200,555
Tax Equivalent Authorized by Municipality	1,3	$0	$0		
Tax Equivalent Payable for the Current Year	1,4	$296,856	$317,360	$341,045	$347,545

Mill Rate Detail	Line Ref.	Actual 2009 Total	Actual 2010 Total	Estimated 2011 Total	Test Year 2012 Total
State tax rate	(A)	0.173258	0.168415	0.168415	0.168415
County tax rate	(B)	4.758068	4.618540	4.618554	4.618554
Local tax rate	(C)	3.308671	3.306643	3.306643	3.306643
School tax rate	(D)	8.795626	9.083469	9.083469	9.083469
Voc. school tax rate	(E)	1.570320	1.601008	1.601008	1.601008
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)	18.605943	18.778075	18.778089	18.778089
Less: State Credit	(H)	1.428015	1.403607	1.403607	1.403607
Net Tax Rate	(I)	17.177928	17.374468	17.374482	17.374482
		Utility	Utility	Utility	Utility
Local tax rate (Line C above)	(J)	3.308671	3.306643	3.306643	3.306643
School tax rate (Line D above)	(K)	8.795626	9.083469	9.083469	9.083469
Voc. school tax rate (Line E above)	(L)	1.570320	1.601008	1.601008	1.601008
Other tax rates-Local (Line F1 above)	(M)	0.000000	0.000000	0.000000	0.000000
Total local & schools tax rates	(N)	13.674617	13.991120	13.991120	13.991120
Total tax rate (Line G above)	(O)	18.605943	18.778075	18.778089	18.778089
Ratio of local & school tax rate to total tax rate (Line N divided by O)	(P)	73.495963%	74.507744%	74.507688%	74.507688%
Net Tax Rate (Line I above)	(Q)	17.177928	17.374468	17.374482	17.374482
Net local and school rate: (Line P times Q)	(R)	12.625084	12.945324	12.945325	12.945325

HOWARD VILLAGE OF WTR & SWR DEP

OPERATING EXPENSES

Estimated for Test Year 2012

Acct. No.	Description	2008	2009	2010	2008, 2009, 2010 3 Year Average	Estimated 2011	Test Year 2012	Estimated 2011	Test Year 2012
600	Operation labor	$0	$0	$0	$0	$0	$0		
601	Operation labor and expenses	541	2,084	629	1,085	1,000	1,000		
602	Purchased water	2,358,267	2,440,998	2,335,555	2,378,273	2,704,000	2,868,547		Explain
603	Miscellaneous expenses	1,256	0	0	419	400	400		
604	Rents	0	0	0	0	0	0		
610	Maintenance supervision and engineering	0	407	400	269	300	300		
611	Maintenance of structures and improvements	0	504	0	168	150	150		
612	Maint. of collecting and impounding reservoirs	0	0	0	0	0	0		
613	Maintenance of lake, river, and other intakes	0	0	0	0	0	0		
614	Maintenance of wells and springs	0	0	0	0	0	0		
616	Maintenance of supply mains	0	0	0	0	0	0		
617	Maintenance of misc. water source plant	158	117	20	98	90	90		
	Total Source of Supply Expenses	$2,360,222	$2,444,110	$2,336,604	$2,380,312	$2,705,940	$2,870,487		
620	Operation supervision and engineering	$0	$0	$0	$0	$0	$0		
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	27,470	22,356	19,376	23,067	20,000	20,500		
624	Pumping labor and expenses	0	0	0	0	0	0		
625	Expenses transferred--credit	0	0	0	0	0	0		
626	Miscellaneous expenses	26	14	41	27	30	30		
627	Rents	0	0	0	0	0	0		
630	Maintenance supervision and engineering	0	0	0	0	0	0		
631	Maintenance of structures and improvements	0	814	900	571	600	600		
632	Maintenance of power production equipment	0	0	0	0	0	0		
633	Maintenance of pumping equipment	1,391	1,003	0	798	750	750		
	Total Pumping Expenses	$28,887	$24,187	$20,317	$24,464	$21,380	$21,880		
640	Operation supervision and engineering	$0	$0	$0	$0	$0	$0		
641	Chemicals	13,744	7,566	6,923	9,411	8,000	8,000		
642	Operation labor and expenses	13,292	13,207	11,205	12,568	11,500	12,000		
643	Miscellaneous expenses	7,609	14,571	4,418	8,866	8,000	8,000		
644	Rents	0	0	0	0	0	0		
650	Maintenance supervision and engineering	0	0	0	0	0	0		
651	Maintenance of structures and improvements	0	163	0	54	50	50		
652	Maintenance of water treatment equipment	328	0	230	186	175	175		
	Total Water Treatment Expenses	$34,973	$35,507	$22,776	$31,085	$27,725	$28,225		

NOTE: All 2011 and test year 2012 estimates that vary from the three year average by more than (plus or minus) 15 percent **must** be explained in detail in the Notes.

2012 Test Year

HOWARD VILLAGE OF WTR & SWR DEP
OPERATING EXPENSES
Estimated for Test Year 2012

Acct. No.	Description	2008	2009	2010	2008, 2009, 2010 3 Year Average	Estimated 2011	Test Year 2012	Estimated 2011	Test Year 2012
660	Operation supervision and engineering	$0	$0	$0	$0	$0	$0		
661	Storage facilities expenses	0	615	0	205	200	200		
662	Transmission and distribution expenses	12,742	15,722	12,769	13,744	14,500	14,500		
663	Meter expenses	0	0	0	0	0	0		
664	Customer installations expenses	0	0	0	0	0	0		
665	Miscellaneous expenses	165	431	4,374	1,657	1,900	1,900		
666	Rents	33,000	33,000	33,000	33,000	33,000	33,000		
670	Maintenance supervision and engineering	0	3,637	0	1,212	1,300	1,300		
671	Maintenance of structures and improvements	0	9,169	4,790	4,653	4,500	4,500		
672	Maintenance of distr.reservoirs and standpipes	9,895	1,800	1,890	4,528	4,500	27,373		Explain
673	Maintenance of transmission and distr. mains	107,628	127,615	113,965	116,403	109,000	109,000		
675	Maintenance of services	14,812	45,134	91,252	50,399	103,000	50,000	Explain	
676	Maintenance of meters	6,416	0	959	2,458	2,500	2,500		
677	Maintenance of hydrants	8,233	18,846	11,529	12,869	11,000	11,000		
678	Maintenance of miscellaneous plant	2,251	70	63	795	750	750		
	Total Transmission and Distribution Expenses	$195,142	$256,039	$274,591	$241,924	$286,150	$256,023		
901	Supervision	$0	$0	$0	$0	$0	$0		
902	Meter reading labor	15,868	15,780	18,327	16,658	18,500	19,000		
903	Customer records and collection expenses	40,002	45,365	46,304	43,890	44,000	44,000		
904	Uncollectible accounts	0	0	0	0	0	0		
905	Miscellaneous customer accounts expenses	681	669	0	450	500	500		
906	Customer service and Information Expenses	0	0	0	0	0	0		
	Total Customer Accounts Expenses	$56,551	$61,814	$64,631	$60,999	$63,000	$63,500		
910	Sales Expenses	$0	$0	$0	$0	$0	$0		
920	Administrative and general salaries	$108,835	$118,535	$119,841	$115,737	$120,000	$121,000		
921	Office supplies and expenses	35,405	28,884	33,852	32,714	32,000	32,500		
922	Administrative expenses transferred -- credit	0	0	0	0	0	0		
923	Outside services employed	20,680	24,322	46,582	30,528	30,000	32,000		
924	Property insurance	6,800	18,923	20,000	15,241	17,250	17,500		
925	Injuries and damages	0	0	0	0	0	0		
926	Employee pensions and benefits	93,261	96,405	95,243	94,970	96,000	97,000		
928	Regulatory commission expenses	0	4,267	0	1,422	1,300	2,233		Explain
929	Duplicate charges -- credit	0	0	0	0	0	0		
930	Miscellaneous general expenses	314	1,205	351	623	550	550		
931	Rents	0	0	0	0	0	0		
932	Maintenance of general plant	0	0	0	0	0	0		
	Total Admin. And General Expenses	$265,295	$292,541	$315,869	$291,235	$297,100	$302,783		
	Total Oper. And Maint. Expenses	$2,941,070	$3,114,198	$3,034,788	$3,030,019	$3,401,295	$3,542,898		

NOTE: All 2011 and test year 2012 estimates that vary from the three year average by more than (plus or minus) 15 percent **must** be explained in detail in the Notes.

HOWARD VILLAGE OF WTR & SWR DEP

UTILITY PLANT IN SERVICE
Estimated for Test Year 2012
Utility or Municipal Financed Transactions Only

Acct. No.	Plant account	Actual Balance 12/31/2010	Estimated 2011 Additions Notes (A,B)	Estimated 2011 Retirements Note (B)	Adjustments	Estimated Balance 12/31/2011	Estimate 2012 Major Construction Additions Notes (A,B)	Estimate 2012 Major Construction Retirements Note (B)	Estimate 2012 Routine Construction Additions Notes (A,B)	Estimate 2012 Routine Construction Retirements Note (B)	Estimated Balance 12/31/2012	Test Year Average Balance
	Intangible Plant											
301	Organization	$1,956	$0	$0	$0	$1,956	$0	$0	$0	$0	$1,956	$1,956
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	$1,956	$0	$0	$0	$1,956	$0	$0	$0	$0	$1,956	$1,956
	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	235,258	0	0	0	235,258	0	0	0	0	235,258	235,258
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	$235,258	$0	$0	$0	$235,258	$0	$0	$0	$0	$235,258	$235,258
	Pumping Plant											
320	Land and land rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
321	Structures and improvements	242,656	0	0	0	242,656	0	0	0	0	242,656	242,656
323	Other power production equipment	43,895	0	0	0	43,895	0	0	0	0	43,895	43,895
325	Electric pumping equipment	1,178,270	0	0	0	1,178,270	0	0	0	0	1,178,270	1,178,270
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	72,264	0	0	0	72,264	0	0	0	0	72,264	72,264
	Total Pumping Plant	$1,537,085	$0	$0	$0	$1,537,085	$0	$0	$0	$0	$1,537,085	$1,537,085
	Water Treatment Plant											
330	Land and land rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
331	Structures and improvements	0	0	0	0	0	0	0	0	0	0	$0
332	Sand or Other Media Filtration Equip	9,850	0	0	0	9,850	0	0	0	0	9,850	$9,850
333	Membrane Filtration Equipment	0	0	0	0	0	0	0	0	0	0	$0
334	Other Water Treatment Equipment	0	0	0	0	0	0	0	0	0	0	$0
	Total Water Treatment Plant	$9,850	$0	$0	$0	$9,850	$0	$0	$0	$0	$9,850	$9,850

HOWARD VILLAGE OF WTR & SWR DEP

UTILITY PLANT IN SERVICE
Estimated for Test Year 2012
Utility or Municipal Financed Transactions Only

Acct. No.	Plant account	Actual Balance 12/31/2010	Estimated 2011 Additions Notes (A,B)	Estimated 2011 Retirements Note (B)	Adjustments	Estimated Balance 12/31/2011	Estimate 2012 Major Construction Additions Notes (A,B)	Estimate 2012 Major Construction Retirements Note (B)	Estimate 2012 Routine Construction Additions Notes (A,B)	Estimate 2012 Routine Construction Retirements Note (B)	Estimated Balance 12/31/2012	Test Year Average Balance
	Transmission and Distribution Plant											
340	Land and land rights	$14,028	$0	$0	$0	$14,028	$0	$0	$0	$0	$14,028	$14,028
341	Structures and improvements	1,886	0	0	0	1,886	0	0	0	0	1,886	1,886
342	Distribution reservoirs and standpipes	3,323,472	0	0	0	3,323,472	0	0	0	0	3,323,472	3,323,472
343	Transmission and distribution mains	6,862,878	421,545	0	0	7,284,423	0	0	317,000	12,600	7,588,823	7,436,623
345	Services	1,002,364	9,065	0	0	1,011,429	0	0	0	0	1,011,429	1,011,429
346	Meters	928,442	0	0	0	928,442	0	0	155,000	70,000	1,013,442	970,942
348	Hydrants	680,263	24,950	1,380	0	703,833	0	0	20,000	5,000	718,833	711,333
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0
	Total Transmission and Distr. Plant	$12,813,333	$455,560	$1,380	$0	$13,267,513	$0	$0	$492,000	$87,600	$13,671,913	$13,469,713
	General Plant											
389	Land and land rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
390	Structures and improvements	86,675	0	0	0	86,675	0	0	0	0	86,675	86,675
391	Office furniture and equipment	18,210	0	0	0	18,210	0	0	0	0	18,210	18,210
391.1	Office furniture & equip - Computers	43,072	0	0	0	43,072	0	0	0	0	43,072	43,072
392	Transportation equipment	336,442	0	0	0	336,442	0	0	0	0	336,442	336,442
393	Stores equipment	0	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	0
395	Laboratory equipment	0	0	0	0	0	0	0	0	0	0	0
396	Power operated equipment	0	0	0	0	0	0	0	0	0	0	0
397	Communication equipment	96,254	0	0	0	96,254	0	0	10,000	0	106,254	101,254
397.1	SCADA equipment	0	0	0	0	0	0	0	0	0	0	0
398	Miscellaneous equipment	40,462	24,195	0	0	64,657	0	0	0	0	64,657	64,657
	Total General Plant	$621,115	$24,195	$0	$0	$645,310	$0	$0	$10,000	$0	$655,310	$650,310
	Total Plant In Service	$15,218,597	$479,755	$1,380	$0	$15,696,972	$0	$0	$502,000	$87,600	$16,111,372	$15,904,172

Notes:

(A) If any Plant Additions require Construction Approval by the PSC, a request for approval must be submitted to the Commission for this rate increase application to be processed. Please list the construction docket number(s):

(B) Do not include Plant financed by Contributions. Contributed Plant is shown in Attachment 11a.

HOWARD VILLAGE OF WTR & SWR DEP

Contributed Plant

Estimated for Test Year 2012

Acct. No.	Plant account	Actual Contributed Plant 12/31/2010	Contributed Plant Transactions Only								
			Estimated 2011		Adjustments	Estimated Balance 12/31/2011	Estimate 2012				Estimated Balance 12/31/2012
							Major Construction		Routine Construction		
			Additions	Retirements			Additions	Retirements	Additions	Retirements	
			Note (A)				Note (A)		Note (A)		
	Water Treatment Plant										
330	Land and land rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
331	Structures and improvements	0	0	0	0	0	0	0	0	0	0
332	Sand and other media filtration Equip	0	0	0	0	0	0	0	0	0	0
333	Membrane Filtration Equipment	0	0	0	0	0	0	0	0	0	0
334	Other Water Treatment Equipment	0	0	0	0	0	0	0	0	0	0
	Total Water Treatment Plant	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Transmission and Distribution Plant										
340	Land and land rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	0	0	0	0	0	0	0	0	0	0
343	Transmission and distribution mains	8,008,428	20,140	0	0	8,028,568	0	0	50,000	1,900	8,076,668
345	Services	1,825,585	335	0	0	1,825,920	0	0	92,000	0	1,917,920
346	Meters	218,016	0	0	0	218,016	0	0	0	0	218,016
348	Hydrants	795,875	950	1,620	0	795,205	0	0	10,000	0	805,205
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0
	Total Transmission and Distr. Plant	$10,847,904	$21,425	$1,620	$0	$10,867,709	$0	$0	$152,000	$1,900	$11,017,809
	General Plant										
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
	Total General Plant	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total	$10,852,553	$21,425	$1,620	$0	$10,872,358	$0	$0	$152,000	$1,900	$11,022,458

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.

HOWARD VILLAGE OF WTR & SWR DEP
Contributed Plant
Estimated for Test Year 2012

Acct. No.	Plant account	Actual Contributed Plant 12/31/2010	Contributed Plant Transactions Only								
			Estimated 2011			Estimated Balance 12/31/2011	Estimate 2012				Estimated Balance 12/31/2012
							Major Construction		Routine Construction		
			Additions	Retirements	Adjustments		Additions	Retirements	Additions	Retirements	
			Note (A)				Note (A)		Note (A)		
	Intangible Plant										
301	Organization	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0
	Total Intangible Plant	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Source of Supply										
310	Land and land rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
311	Structures and improvements	0	0	0	0	0	0	0	0	0	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0	0	0	0
313	Lake, river, and other intakes	0	0	0	0	0	0	0	0	0	0
314	Wells and springs	0	0	0	0	0	0	0	0	0	0
316	Supply mains	0	0	0	0	0	0	0	0	0	0
317	Other water source plant	0	0	0	0	0	0	0	0	0	0
	Total Source of Supply Plant	$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
321	Structures and improvements	0	0	0	0	0	0	0	0	0	0
323	Other power production equipment	0	0	0	0	0	0	0	0	0	0
325	Electric pumping equipment	0	0	0	0	0	0	0	0	0	0
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	4,649	0	0	0	4,649	0	0	0	0	4,649
	Total Pumping Plant	$4,649	$0	$0	$0	$4,649	$0	$0	$0	$0	$4,649

HOWARD VILLAGE OF WTR & SWR DEP
DEPRECIATION ACCRUAL AND EXPENSE
Estimated for Test Year 2012

A. The Estimated 2011 Depreciation Accrual in Column (A) is to be calculated based upon the current depreciation rates.
B. The Test Year 2012 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	Estimated 2011 Depr. Rate (A)	Estimated 2011 (per Attach. 11) Avg. Depreciable Balance	Estimated 2011 Depreciation Accrual	Test Year 2012 Depr. Rate (B)	Test Year 2012 (per Attachment 11) Average Depreciable Balance Major	Average Depreciable Balance Routine	Depreciation Accrual Major	Depreciation Accrual Routine	Test Year Total
301-303	Total Intangible Plant	N/A	N/A	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	N/A	N/A
311	Structures and improvements	0.00%	$0	$0	3.20%	$0	$0	$0	$0	$0
312	Collecting and impounding reservoirs	0.00%	$0	0	1.70%	0	0	0	0	0
313	Lake, river, and other intakes	0.00%	$0	0	1.70%	0	0	0	0	0
314	Wells and springs	2.94%	$235,258	6,917	2.90%	0	235,258	0	6,822	6,822
316	Supply mains	0.00%	$0	0	1.80%	0	0	0	0	0
317	Other water source plant	0.00%	$0	0	4.50%	0	0	0	0	0
	Total Source of Supply Plant			$6,917						$6,822
	Pumping Plant									
320	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
321	Structures and improvements	2.44%	$242,656	$5,921	3.20%	$0	$242,656	$0	$7,765	$7,765
323	Other power production equipment	4.42%	$43,895	1,940	4.40%	0	43,895	0	1,931	1,931
325	Electric pumping equipment	5.00%	$1,178,270	58,914	4.40%	0	1,178,270	0	51,844	51,844
326	Diesel pumping equipment	0.00%	$0	0	4.40%	0	0	0	0	0
328	Other pumping equipment	6.00%	$72,264	4,336	4.40%	0	72,264	0	3,180	3,180
	Total Pumping Plant			$71,111						$64,720
	Water Treatment Plant									
330	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
331	Structures and improvements	0.00%	$0	$0	3.20%	$0	$0	$0	$0	$0
332	Sand or Other Media Filtration Equip	6.00%	$9,850	591	3.30%	0	9,850	0	325	325
333	Membrane Filtration Equipment	0.00%	$0	0	6.00%	0	0	0	0	0
334	Other Water Treatment Equipment	0.00%	$0	0	6.00%	0	0	0	0	0
	Total Water Treatment Plant			$591						$325

2012 Test Year

HOWARD VILLAGE OF WTR & SWR DEP
DEPRECIATION ACCRUAL AND EXPENSE
Estimated for Test Year 2012

Acct. No.	Plant account	Estimated 2011 (per Attach. 11) Depr. Rate (A)	Avg. Depreciable Balance	Depreciation Accrual	Test Year 2012 (per Attachment 11) Depr. Rate (B)	Average Depreciable Balance Major	Routine	Depreciation Accrual Major	Routine	Test Year Total
	Transmission and Distribution Plant									
340	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
341	Structures and improvements	2.25%	$1,886	$42	3.20%	$0	$1,886	$0	$60	$60
342	Distribution reservoirs and standpipes	1.87%	$3,323,472	62,149	1.90%	0	3,323,472	0	63,146	63,146
343	Transmission and distribution mains	1.10%	$7,073,651	77,810	1.30%	0	7,436,623	0	96,676	96,676
345	Services	2.09%	$1,006,897	21,044	2.90%	0	1,011,429	0	29,331	29,331
346	Meters	6.00%	$928,442	55,707	5.50%	0	970,942	0	53,402	53,402
348	Hydrants	1.85%	$692,048	12,803	2.20%	0	711,333	0	15,649	15,649
349	Other transmission and distr. plant	0.00%	$0	0	5.00%	0	0	0	0	0
	Total Transmission and Distr. Plant			$229,555						$258,264
	General Plant									
389	Land and land rights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
390	Structures and improvements	2.25%	$86,675	$1,950	2.90%	$0	$86,675	$0	$2,514	$2,514
391	Office furniture and equipment	0.00%	$18,210	0	5.80%	0	18,210	0	1,056	1,056
391.1	Office furniture & equip - Computers	0.00%	$43,072	0	26.70%	0	43,072	0	11,500	11,500
392	Transportation equipment	10.50%	$336,442	35,326	13.30%	0	336,442	0	44,747	44,747
393	Stores equipment	0.00%	$0	0	5.80%	0	0	0	0	0
394	Tools, shop and garage equipment	0.00%	$0	0	5.80%	0	0	0	0	0
395	Laboratory equipment	0.00%	$0	0	5.80%	0	0	0	0	0
396	Power operated equipment	0.00%	$0	0	7.50%	0	0	0	0	0
397	Communication equipment	9.17%	$96,254	8,826	15.00%	0	101,254	0	15,188	15,188
397.1	SCADA equipment	0.00%	$0	0	9.20%	0	0	0	0	0
398	Miscellaneous equipment	5.83%	$52,560	3,064	5.80%	0	64,657	0	3,750	3,750
	Total General Plant			$49,166						$78,755
	Total		$15,441,802	$357,340		$0	$15,888,188	$0	$408,886	$408,886
	Miscellaneous Credits (Charges) to Accrual			$0						$0
Estimated Depreciation Accrual			(To Attachment 13)==>	$357,340					(To Attachment 13)==>	$408,886
Meter depr. allocated to sewer (deduction)		50 % <=Change if different		(27,854)		50 % <=Change if different allocation to sewer				(26,701)
Adjustments & Depreciation charged clearing accounts, etc: add (deduct):				0						0
(Specify)				0						0
(Specify)				0						0
	Estimated Depreciation Expense			$329,486					Test Year Depreciation Expense (To Attachment 14)==>	$382,185

HOWARD VILLAGE OF WTR & SWR DEP

Estimated for Test Year 2012

Accumulated Depreciation (Account 111.1)				Major Projects	Routine	Total	Test Year Average Balance
January 1, 2011 Balance		(Estimated)				$3,239,881	
Add:	Annual Accrual	(per Attachment 12)	(A)			357,340	
	Salvage	(Estimated)			$0	0	
Less:	Retirements	(per Attachment 11)	(B)			1,380	
	Cost of Removal	(Estimated)			$0	0	
Adjustments		increase (decrease)	(C)		0	0	
December 31, 2011 Balance		(Estimated)				$3,595,841	$3,595,841
Add:	Annual Accrual	(per Attachment 12)	(A)	$0	$408,886	408,886	204,443
	Salvage	(Estimated)		0	0	0	0
Less:	Retirements	(per Attachment 11)	(B)	0	87,600	87,600	43,800
	Cost of Removal	(Estimated)		0	0	0	0
December 31, 2012 Balance		(Estimated)				$3,917,127	
					Test Year Average Balance		$3,756,484

Materials and Supplies Inventory					Test Year Average Balance
Account Balances:					
December 31, 2008	(Actual)		$59,117		
December 31, 2009	(Actual)		45,146		
December 31, 2010	(Actual)		70,000		
December 31, 2011	(Estimated)	(D)	70,000		$35,000
December 31, 2012	(Estimated)	(D)	70,000		35,000
				Test Year Average Balance	$70,000

Regulatory Liability and Other Adjustments				Regulatory Liab (Acct 253)	Other	Total	Test Year Average Balance
Account Balances:							
December 31, 2010	(Actual)	(E)		$701,479	$0	$701,479	
December 31, 2011	(Estimated)	(E)		$647,519	$0	647,519	$323,760
December 31, 2012	(Estimated)	(E)		593,559	0	593,559	$296,780
						Test Year Average Balance	$620,540

Note: (A) The depreciation accrual totals for 2011 and 2012 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 2011 and 2012 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 2011 & 2012.

(E) Explain Other on Atttachment 18.

HOWARD VILLAGE OF WTR & SWR DEP

Estimated for Test Year 2012

Part One:	Total Operating Revenues	(per Attachment 7)	$4,492,558	
	Total Operation and Maintenance Expenses	(per Attachment 10)	$3,542,898	
	Depreciation Expense	(per Attachment 12)	382,185	
	Amortization Expense--Account # 404 (specify):		0	
			0	
	Taxes	(per Attachment 8)	369,066	
	Total Operating Expenses		$4,294,149	
	Net Operating Income (Loss)-Test Year 2012		$198,409	
Part Two:	Utility Plant In Service--Financed by Utility or Municipality:			
	Test Year Average Balance	(per Attachment 11)	$15,904,172	
	Materials and Supplies:			
	Test Year Average Balance	(per Attachment 13)	70,000	
	Less: Accumulated Depreciation:			
	Test Year Average Balance	(per Attachment 13)	3,756,484	
	Regulatory Liability and Other:			
	Test Year Average Balance	(per Attachment 13)	620,540	
	Average Net Investment Rate Base (NIRB)		$11,597,148	
Part Three:	Average Net Investment Rate Base	(per Part Two above)	$11,597,148	
	TIMES Rate of Return Requested			
	(Enter requested rate in this box.)	6.50%	6.50%	
	Return on Average Net Investment Rate Base (NIRB)		$753,815	**(A)**
	Total Operation and Maintenance Expenses	(per Part One above)	$3,542,898	
	TIMES allowance on O&M expenses		6.00%	
	Operating Allowance		$212,574	**(B)**
	Enter the larger of either:			
	The Return on NIRB (A) **or** the Operating Allowance (B)		$753,815	
	Less: Estimated Net Operating Income (Loss)	(per Part One above)	198,409	
	Increase Requested-Test Year 2012		$555,406	
	Overall Percentage Increase in Total Sales of Water at Current Rates:	13%		

HOWARD VILLAGE OF WTR & SWR DEP

FINANCING AND DEBT SUMMARY

FINANCING OF PLANT ADDITIONS (Including Contributed Plant)

Description	Estimated 2011	Test Year 2012
Contributed Plant by Developers	$21,425	$50,000
Contributed Plant by Customers		
Special Assessments--Collections and Tax Roll		102,000
Grants for Plant Additions		
Plant Paid for by Municipality		
Plant Paid for by TIF District	48,500	
Proceeds from Debt Issued during Year		
Special Construction Funds		
Available Cash or Invested Funds		
Utility Earnings	431,255	502,000
Other: (Specify)		
Total	$501,180	$654,000

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	Estimated 2011 Annual Interest Expense (1)	Estimated 2011 Outstanding Principal End of Year	Estimated 2012 Annual Interest Expense (1)	Estimated 2012 Outstanding Principal End of Year	Estimated 2013 Annual Interest Expense (1)	Estimated 2013 Outstanding Principal End of Year
Outstanding Debt Issues - Detailed List::	$0	$0	$0	$0	$0	$0
1998 Revenue Bond	$9,050	$0	$0	$0	$0	$0
2001 Revenue Bond	$11,018	$0	$0	$0	$0	$0
2002 Revenue Bond	$52,722	$0	$0	$0	$0	$0
2011 GO Refunding Bonds	$7,644	$1,695,000	$34,761	$1,505,000	$27,844	$1,300,000
Totals	$80,434	$1,695,000	$34,761	$1,505,000	$27,844	$1,300,000

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.

HOWARD VILLAGE OF WTR & SWR DEP

CUSTOMER NOTIFICATION

Test Year 2012

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 ⅝-inch or ¾-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}.

HOWARD VILLAGE OF WTR & SWR DEP

MISCELLANEOUS
Test Year 2012

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 .

		Attachment 11		Attachment 11a		
		Units Added	Units Retired	Units Added	Units Retired	Net Units
	Year	(a)	(b)	(a)	(b)	+ (a) - (b)
Feet of Main	2011	4,681	0	212	0	4,893
Feet of Main-Routine	2012	4,409	2,958	191	442	1,200
Feet of Main-Major Projects	2012	0	0	0	0	0
Hydrants	2011	12	5	1	6	2
Hydrants-Routine	2012	4	4	5	0	5
Hydrants-Major Projects	2012	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: Other Charges (Schedule OC-1) - Does the utility wish to establish or revise the following charges?

	Yes	No	Amt. Req.
1. Non-Sufficient Funds	☑	☐	$ 15

If Yes, Select One:

- ☐ Utility is also regulated by the PSC for electric and/or sewer rates.
- ☑ Utility is regulated by the PSC for water rates only.

Amount charged by your financial institution(s) for a non-sufficient funds (NSF) check: $ 15

	Yes	No	Amt. Req.
2. Special Billing Charge	☐	☑	$ -
3. Special Meter Reading Charge	☐	☑	$ -
4. Missed Appointment Charge	☐	☑	
Normal business hours			$ -
After business hours			$ -
5. Real Estate Closing Charge	☐	☑	$ -
6. Other _____	☐	☑	$ -

Part Five: Public Fire Protection (Schedule F-1) - How does the municipality wish the utility to collect the PFP charge?

Select One

- ☐ Municipal Charge
- ☐ Direct charge on water bill - indicate method for calculating Direct Charges _____
- ☑ Combination
  - dollar amount or percentage of total as Municipal Charge 397,000
  - indicate method for calculating Direct Charges equivalent meters

If Direct Charges for PFP, will they also be applied to non-customers who own property in the municipality?

Select One

- ☑ No
- ☐ Yes -- from all non-customer properties, including vacant lots

Part Six: General Service Rate Design (Schedule Mg-1) - Indicate the preferred rate design for each customer class:

Description	Residential	Nonresidential
Declining Block Rate	☑	☑
Uniform Rate	☐	☐
Inclining Block Rate	☐	☐
Seasonal Rate	☐	☐
Multifamily Residential Rate	☐	NA
Irrigation Rate (with Am-1)	☐	☐
Other	☐	☐

Describe the proposed modifications to the general service rates:

If additional space is needed, continue in Part Eight below.

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

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

If additional lines are needed, please insert row(s) above the line

HOWARD VILLAGE OF WTR & SWR DEP

Water Conservation and Efficiency Programs
Test Year 2012

Identify any water conservation and efficiency activities that the utility plans to undertake during the test year:

- ☐ Education and Outreach
- ☐ Residential Water Audits
- ☐ Commercial/Industrial Water Audits
- ☐ Lawn Watering Restrictions
- ☐ Rebates for Water Saving Equipment
- ☐ Leak Detection and Water Loss Control
- ☐ Other : _____

NOTE: If the Commission has approved conservation program expenses, these should be charged to Account 186, otherwise these expenses are reported in Account 906 for Class AB & C utilities (Account 691 for Class D utilities).

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

Customer Class	**Test Year Sales Without Conservation**	**Conservation Adjusted Test Year Sales**
Residential		
Commerical		
Industrial		
Public Authority		
Other		

HOWARD VILLAGE OF WTR & SWR DEP

WATER CONSERVATION SPENDING
Test Year 2012

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

Deferred Expense Schedule:

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

Additional Comments:

HOWARD VILLAGE OF WTR & SWR DEP

NOTES

Attachment 10:

Account 672
Water tank #2 was painted in 2006 at a cost of $93,800 and it is anticipated it will need to be repainted in 2021.
Water tank #3 was painted in 2007 at a cost of $124,300 and it is anticipated it will need to be repainted in 2022.
Water tank #4 was constructed in 2003. It is anticipated repainting will be needed in 2018 at an estimated cost of $125,000. The estimated annualized costs for tower repainting is $22,873 - (343,100/15 years)

Annualized cost for tower repainting		22873
Annual budget for maint of dist reservoirs		4500
		27373

Account 928
Regulatory Commission Expense - Costs allocated as follows:

Schenck SC - rate application preparation		5500
PSC expense - rate application review estimate		1200
		6700
Amount allocated over 3 years	2233.3333	

Account 602
The 2012 test year estimated cost is based on Central Brown County Water Authority's 2012 budget. The budgeted member allocation is $2,703,547 and the estimated "true-up" charge is $165,000 for 2012.

Account 675
In 2010 and 2011 the utility had additional costs for Maintenance of Services due to a project to detect why the utility was experiencing so much water loss. During the 2 years all the lines were televised and leaks were fixed. In 2012 the utility expects the account to decrease back to a normal level.

HOWARD VILLAGE OF WTR & SWR DEP

STEP II MAJOR PLANT DETAIL

Test Year 2012

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

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

Summary of Plant Additions (Retirements) in Step II				
Account Number	Description	Addition (Retirement) Amount	Depreciation Rate	Depreciation Expense
	Financed by Utility or Municipality:			
		$0	0.00%	$0
		0	0.00%	0
		0	0.00%	0
		0	0.00%	0
		0	0.00%	0
	Total Financed by Utility or Municipality	0	Depreciation Total	$0
	Contributed Plant:			
		0		
		0		
		0		
		0		
		0		
	Total Contributed Plant	0		
Total Step II NET Plant Additions		$0		
Less: Plant Outside Municipality		0		
Net Taxable Plant		$0		
Times Assessment Ratio (per Attachment 9)		1.007800		
Times Net Local and School Rate (per Attachment 9)		12.945325		

Calculated Tax Equivalent--Step II	$0
Calculated Tax Equivalent – Step I (per Attachment 9)	347,545
Tax Equivalent Computed (Combined Total Step I and II)	$347,545
1994 Tax Equivalent Payable in 1995 (per Attachment 9)	$200,555
If the municipality has authorized a lower amount as allowed by Wis. Stat. § 66.0811(2), then place that amount on this line. **If no authorization, leave blank.** ===>	
Step I and Step II Combined:	
Tax Equivalent Payable for the Test Year (See Attachment 9, Instruction 4 for criteria)	$347,545
Less: Meter Allocation to Sewer (Attachment 8)	7,479
Step I and Step II Combined Net Property Tax Equivalent-Water Utility	$340,066

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

HOWARD VILLAGE OF WTR & SWR DEP
STEP II SUMMARY
Test Year 2012
NOTE: Only applies to utilities requesting a two step rate case

		Step I Total Per Attachment 14	Step II Additional	Combined Total
Part One:	Total Operating Revenues	$4,492,558	$0	$4,492,558
	Total Operation and Maintenance Expenses	$3,542,898	$0	$3,542,898
	Depreciation Expense	382,185	0	382,185
	Amortization Expense--Acct # 404 (If Step II--specify):	0	0	0
			0	0
	Taxes	369,066	0	369,066
	Total Operating Expenses	$4,294,149	$0	$4,294,149
	Net Operating Income (Loss)-Test Year 2012	$198,409	$0	$198,409
Part Two:				
	Plant In Service--Financed by Utility or Municipality	$15,904,172	$0	$15,904,172
	Materials and Supplies	70,000	0	70,000
	Less: Accumulated Depreciation	3,756,484	0	3,756,484
	Less: Regulatory Liability and Other	620,540	0	620,540
	Net Investment Rate Base (NIRB)	$11,597,148	$0	$11,597,148

Part Three:	Average Net Investment Rate Base		(per Part Two above)	$11,597,148	
	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.	6.50%		6.50%	
	Return on Average Net Investment Rate Base (NIRB)			$753,815	**(A)**
	Total Operation and Maintenance Expenses		(per Part One above)	$3,542,898	
	TIMES allowance on O&M expenses			6.00%	
	Operating Allowance			$212,574	**(B)**
	Enter the larger of either:				
	The Return on NIRB (A) **or** the Operating Allowance (B)			$753,815	
	Less: Estimated Net Operating Income (Loss)--Combined Step I and II		(per Part One above)	$198,409	
	Increase Requested-Test Year 2012--Combined Step I and II			$555,406	
	Overall Percentage Increase in Total Sales of Water at Current Rates:		13%		

HOWARD VILLAGE OF WTR & SWR DEP
STEP II
NOTES
Test Year 2012
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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: