

IMPORTANT INFORMATION REGARDING YOUR UPCOMING WATER BILL

NEW RATES MANDATED BY THE PUBLIC SERVICE COMMISSION (PSC) WILL BE IMPLEMENTED IN JUNE OF 2022

Dear Water Utility Customer,

The Water Utility has recently received approval from the Public Service Commission (PSC) for a rate increase to meet our immediate financial needs and to maintain financial stability for our water utility. The PSC sets water rates for municipal water utilities in the State of Wisconsin. The new rates, outlined below, are mandated by the PSC.

The Utility has not submitted a complete rate case application since 2012. In 2012, the PSC implemented a rate increase of 64%. In 2013, 2015, and 2016, the Utility did go through the PSC's simple rate case process which allowed for a 3% increase each time. Over this time, annual operating costs have increased, and the Utility has begun to address outdated infrastructure. The rate increase to our customers is not related to funding infrastructure to new development or the Village's annual operating budget. Water utility payments directly impact the Somers Water Utility.

In June of 2020, the Utility submitted their application for a complete rate case. The PSC held a public hearing on the proposed rates on December 16, 2021. After almost 2 years, the Utility received the final decision on March 29th as to the rates that will be required by the PSC. The PSC determination is that the overall rate increase must generate an additional \$415,322 in revenue to maintain financial stability. This represents a 35.68% increase in the overall existing rates.

Below is a chart of how these new rates would affect a typical residential user broken down by Quarterly and Monthly usage:

Somers Water Utility

Water Portion - Billed Quarterly (3 months)			(Residents Billed Quarterly)	
Meter Size	Volume Usage	Billing	Billing	Percent Change
3/4"	Qtrly - cubic ft.	Qtrly-Old Rate	Qtrly-New Rate	
3/4"	8	63.43	94.92	49.65
3/4"	10	71.47	105.90	48.17
3/4"	48	224.23	314.52	40.27
3/4"	100	433.27	600.00	38.48

Example of Water Portion - Billed Monthly Figures

Meter Size	Volume Usage	Billing	Billing
	Monthly-Cubic ft.	Old Rate	New Rate
3/4"	2.67	13.99	21.88
3/4"	3.33	14.89	23.10
3/4"	16.00	31.86	46.28
3/4"	33.33	55.09	78.00

The Board realizes that this PSC implemented rate is a large increase all at one time. The reason is due to the fact that there has not been a significant review of these rates by the PSC in over ten (10) years. To avoid such large one time increases to the Utility customers, the Board is committed to more frequent full rate case applications to the PSC in the future which will lessen the impact.

Enclosed you will find a new water rate schedule as determined by the PSC and a spreadsheet summarizing the increases/decreases.