

May 19, 2016

Sent via Electronic Regulatory Filing System

Mr. Stephen Kemna
Public Service Commission
PO Box 7854
Madison, WI 53707-7854

RE: Comments on Staff Recommendations in Report on the Investigation into Public Fire Protection –
Docket 5-WI-104

Dear Mr. Kemna:

The following offers Milwaukee Water Works' comments on the staff recommendations found in Section 8 of the PSC's report.

- Recommendation No. 1 contains staffs preferred method of rolling fire protection costs into general service rates. However, no other options are given for the utilities listed, including MWW. Following this method as outlined in the report would eliminate fixed public fire protection charges and include them in general service rates, presumably the volumetric rate. From the utility's perspective, fixed charges provide more stable revenue than volumetric rates, which helps offset highly variable volumetric revenues seen in recent years. Additionally, we believe it is more fair to customers to use fixed charges to recover those fixed fire protection-related costs that are not related to the amount of water a customer might use on a daily basis. Therefore, we believe these large utilities should continue to have the option to impose a fixed charge structure for certain fixed fire protection-related costs (such as hydrants).
- We disagree with Recommendation No. 5 to eliminate private fire protection charges entirely. From the utility's perspective, these private fire connections are a benefit received by specific customers not available to other customers and do impose a cost to the utility that should be recovered from those customers. Their elimination would cause the need for other rates to be increased proportionately. Perhaps the method of calculating private fire protection charges could also be changed, but we believe it should remain the utility's option to impose them.

We have no comments at this time on Recommendation No. 4 regarding wholesale customers and public fire protection, as that will be discussed in part B of this study.

Very truly yours,



Carrie M. Lewis
Superintendent