



Public Service Commission of Wisconsin

Summer Strand, Chairperson
Kristy Nieto, Commissioner

4822 Madison Yards Way
P.O. Box 7854
Madison, WI 53707-7854

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application Filing Requirements for PSC Approval of Financial Assistance Programs for Replacement of Customer-Side Service Lines Containing Lead

Section 196.372 of the Wisconsin Statutes authorizes water public utilities to provide financial assistance to the owner of property to which water utility service is provided for the purpose of assisting the owner in replacing customer-side lead-containing service lines (LSLs). (Wis. Stat. § 196.372(2).)

The statute requires that the Public Service Commission of Wisconsin (Commission) review an application from a water public utility to determine if the proposed financing program administered by the water public utility is “unjust, unreasonable, or unfairly discriminatory.” Wis. Stat. § 196.372(3). Because the statute relates only to financial assistance provided by the water public utility, it is important that the applicant clearly differentiate between financial assistance the water public utility will provide to the property owner and any other type of financial assistance (i.e. municipal assistance). Accordingly, please answer the following application questions with respect to financial assistance provided by the water public utility only, unless otherwise directed.

Additional resources to assist with filing an LSL application can be found at <https://psc.wi.gov/Pages/ServiceType/Water/LeadServiceLine.aspx>.

Where to Get Help

- Questions about completing the Application? Contact our Water Application Mailbox by e-mail at PSCWaterAppMail@wisconsin.gov.
- Questions about filing the Application? Contact the Records Management Unit at (608) 261-8524 or PSCRecordsMail@wisconsin.gov.

Questions about the Application after filing? Contact the Case Coordinator for your docket. Enter your docket number in the [Case Management System](#) and click on the “Staff Involved” tab.

Section 1. Applicant Contact Information

1. Applicant Information

UTILITY NAME	UTILITY ID
MUNICIPALITY	COUNTY

2. Applicant Primary Contact

NAME	TITLE		
STREET ADDRESS	CITY	STATE	ZIP
PHONE	EMAIL		

3. Consultant Primary Contact (if applicable)

NAME	TITLE		
COMPANY			
STREET ADDRESS	CITY	STATE	ZIP
PHONE	EMAIL		

4. Additional Contact (if applicable)

NAME	TITLE		
STREET ADDRESS	CITY	STATE	ZIP
PHONE	EMAIL		

Section 2. Financial Assistance Program - General Information

1. Please provide a brief description of the financial assistance program the applicant intends to operate using the applicant’s water utility funds.

2. Program Timeframe: Start Date: _____ End Date: _____

3. Does the applicant anticipate replacing both lead and galvanized service lines utilizing the financial assistance program?

- Yes
 No

4. Provide the following information on the number of customer-side lead service lines (LSLs) in the applicant’s existing water system, and the number of customer-side LSLs it plans to replace using financial assistance provided by the water public utility and municipality, if applicable.

Note: *The term customer-side LSLs may refer to service lines that are known to contain lead, unknown but may contain lead, and galvanized lines.*

	Existing Number of customer-side LSLs	Number of customer-side LSLs to be replaced with municipal assistance	Number of customer-side LSLs to be replaced with utility assistance
Lead			
Unknown – may contain Lead			
Galvanized			
Totals			

- 4a. If the number of LSLs provided above differ from the applicant’s most recent PSC Annual Report (Schedule W-29), provide an updated Schedule W-29.

5. Describe which customers by customer class will be offered financial assistance through the applicant's financial assistance program only.

6. Based on Wis. Stat. § 196.372(3)(a), what type of financial assistance does the applicant plan to offer to customers in the proposed utility financial assistance program?

- 50 percent grant
- 50 percent grant, 50 percent loan
- 100 percent loan
- Other (please describe):

Section 3. Financial Assistance Program – Funding Sources

Recognizing that a customer-side LSL replacement program will likely include funding from a combination of sources, the following section collects information on the entire replacement program in order to clarify the utility-funded portion. Please distinguish between the utility funding and all other funding sources in the information below.

1. Provide the estimated dollar amounts for each funding source for the overall customer-side replacement program, noting that there may be a mixture of funding sources.

	Municipal Dollars	Utility Dollars
SDWLP Principal Forgiveness		
SDWLP Loan		
Other Loans obtained by the Municipality		
Other Loans obtained by the Utility		
Utility Cash On Hand		
Utility Rates		
Other		
Totals		

Note: Commission approval is only required for a financial assistance program that uses funding generated from utility rates (Column 3 above).

- 1a. Provide any additional discussion of the above funding sources as needed.

- 1b. Explain how the applicant plans to fund the program through multiple years. Please note the statutory requirements mentioned below in Section 5.

2. If the applicant is investor-owned and requires an SB docket under Wis. Stat. § 201.03, please provide the SB docket for any loans associated with customer-side LSL replacements. If the applicant has not yet filed for Commission approval, describe when it plans to do so.

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Section 4. Financial Assistance Program Costs

Commission-approved financial assistance programs allowable under Wis. Stat. § 196.372(3) should only include financial assistance provided by the water public utility (Column 3 from Section 3, Question 1). The financial information requested below should include only costs covered by the water utility (applicant) that will be recovered from customer rates.

1. Provide a description of how the applicant plans to use customer rates within its utility financial assistance program.

Note: *“The revenue collected from charges applied to a class of customers to fund financial assistance may not exceed an amount equal to the financial assistance received by the class.” Wis. Stat. § 196.20(8)(b).*

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2. Provide an estimate of costs for the utility financial assistance program, including annual and total costs. Costs should be itemized by major accounts and subaccounts as identified in the Commission’s Uniform System of Accounts (USOA). Costs should include all administrative, overhead, legal, and inspection costs.

a. Costs recovered by customer rates

Expense Group	USOA No.	Description	Annual Cost (\$)	Total Program Cost (\$)
Customer Installation Expense	664.X	Grants Issued (\$\$ that are provided to customers for LSL replacement)		
	664.Y	All Administrative Costs (Staff time, printing/ mailing costs, attorney fees, consulting fees, customer relations, lab tests, engineering, etc.)		
		TOTALS:		

Note: *Other costs not recovered by customer rates are generally considered municipal costs and are tracked in separate accounts. See additional information below to assist in the appropriate tracking of costs.*

- b. **Any program costs managed by the municipality should be reported on the municipal books. Other costs not recovered by customer rates which are reported on the utility books should be accounted for as follows:**

<i>Expense Group</i>	<i>USOA No.</i>	<i>Description</i>
Other Investments	124	Loans Issued/Receivable
Merchandising & Jobbing	415	SDWLP Grant Funds Received
	416	SDWLP Grant Funds Spent
Long-term Debt	221	Bonds
	223	Advances from Municipality
	224	Other Long-term debt

3. Provide estimates of program costs (average cost per customer-owned LSL, average length of LSL, etc.).

a. Total number of LSLs to be replaced: _____

b. Average length of LSL: _____

c. Average cost per customer-side LSL replacement: \$ _____

d. Total cost of all replacements: \$ _____

e. Total administrative cost: \$ _____

f. Total Cost of Utility Financial Assistance program: \$ _____

4. Describe below the administrative costs included in Line 3.e.:

5. Describe any other costs not included above:

6. Describe how the applicant will pay for program costs incurred before it files a conventional rate case (CRC) requesting rate recovery of program costs. Utility financial assistance program costs can only be recovered in rates through a CRC.

7. Does the applicant intend to request deferral of costs incurred during this time period?
- Yes
- No

Section 5. Regulatory Compliance

1. Which of the water public utility customers will be eligible for financial assistance? In answering this question, the water public utility should review and be mindful of the requirements in Wis. Stat. § 196.372(3)(e)3.a.-b., which state that each owner in a class of customers must be treated the same, as well as the general requirement that the program cannot be unjust or unfairly discriminatory. Wis. Stat. § 196.372(3)(e)1.

- All customers
 Only Residential customers
 Other (please describe):

2. Does the water public utility certify that any grants provided by the water public utility as financial assistance to an owner will be limited to no more than one-half of the total cost to the owner of replacing the LSL? Wis. Stat. § 196.372(3)(e)2.a.

- Yes
 No (please explain):

3. Does the water public utility certify that any loan provided by the water public utility as financial assistance will not be forgiven by the utility or municipality? Wis. Stat. § 196.372(3)(e)2.b.

- Yes
 No (please explain):

4. If the water public utility intends to provide financial assistance as a percentage of the cost to replace an LSL, does the water public utility certify that the percentage is the same for each owner in a class of customers? Wis. Stat. § 196.372(3)(e)3.a.

- Yes, property owners will be eligible for _____ percent, or up to _____ percent.
- No
- Not applicable

5. If the water public utility intends to provide financial assistance as a specified dollar amount, does the water public utility certify that the dollar amount is the same for each owner in a class of customers? Wis. Stat. § 196.372(3)(e)3.b.

- Yes, property owners will be eligible for \$_____, or up to \$_____.
- No
- Not applicable

6. Describe the process the water public utility intends to use to notify customers of the need to replace an LSL. Some examples are included in the draft tariffs made available on the [PSC website](#).

7. Does the water public utility intend to use disconnection procedures as part of its financial assistance program? Draft tariff language is available on the [PSC website](#).

- No
- Yes - If yes, does the utility have disconnection procedures in its current tariff?
 - Yes
 - No

8. Does the water public utility certify that, for each customer receiving financial assistance, the utility will establish that neither the water public utility-owned main nor service line connected to the customer-owned service line does not contain lead, or that it will be replaced at the time the customer-owned LSL is replaced? Wis. Stat. § 196.372(2)(b).

- Yes
- No

9. Please be advised that, per Wis. Stat. § 196.372(2)(a), the city, town, or village in which the water public utility provides utility service must enact an ordinance that permits the water public utility to provide financial assistance to the owner of a property to which water service is provided for the purpose of assisting the owner in replacing customer-side LSLs. The ordinance must require each owner of a premise located in the city, town, or village that is serviced by a customer-side water service line containing lead to replace that customer-side service line. Does the applicant certify that such a municipal ordinance will be in place prior to commencing the utility's financial assistance program?
- Yes
 No
10. Provide a draft proposed tariff that specifies the rights and obligations of the utility and the customer that may receive financial assistance for the purpose of assisting the owner in replacing customer-side LSLs. Note: A [sample tariff](#) is available as part of the order for docket 5-AFR-1601 (page 18) for the applicant's use.