

January 30, 2013

Comments Submitted Via ERF

Mr. John Lorence
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, Wisconsin 53707-7854

RE: PSC Docket 1-AC-227 Comments

Dear Mr. Lorence:

The Municipal Environmental Group - Water Division (MEG - Water) appreciates this opportunity to provide comments on the economic impact of the Commission's proposal to revise parts of chs. PSC 113, 134, and 185 that deal with the retention of meters. MEG - Water is an association of 59 municipal water utilities who have joined together to provide input on proposed laws and regulations that affect municipal water utilities in Wisconsin. Our comments are limited to the portion of the Commission's proposal that revises parts of PSC 185.

MEG - Water is only concerned with one provision in the proposal that could have a significant economic impact on some water utilities. That proposed provision -- which is the second sentence of PSC 185.77(3)(d) -- would require that:

When a utility retires a meter from service without testing it, the utility shall keep the meter, in "as found" condition, at a designated location on the utility's premises for at least one full billing cycle plus 4 weeks after the date on which the meter is retired so that the meter is available should another meter test be requested.

Currently PSC 185.76(6) allows a municipal water utility to adopt a new meter replacement program for 5/8, 3/4, and 1-inch meters in lieu of testing those meters. The meter replacement program must result in each meter being replaced within 20 years of the original date of installation. The concept behind this provision is that in many situations it is more cost-effective for a water utility to spend money on meter replacement, instead of spending money to test old meters. A more cost-effective solution saves money for all ratepayers.

Many municipal water utilities have relied upon this provision and have adopted a meter replacement program that results in all of its smaller meters being replaced within 20 years of installation. The proposed requirement in the second sentence of PSC 185.77(3)(d) would require these utilities to keep the retired meter, in "as found" condition, at the utility's premises for at least one full billing cycle plus 4 weeks after the date on which the meter is retired, even if no customer back bill or credit is issued. This additional retention requirement -- which could require a retired meter to be retained for up to four additional months where a water utility bills

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quarterly -- could result in a significant economic impact, especially for a large utility undertaking a comprehensive meter replacement program. Some MEG - Water members have also indicated that keeping a water meter in "as found" condition, is not practical as a water meter will dry out, and a meter test of that meter will not reflect the accuracy of the meter at the time the meter was retired.

MEG - Water asks that the Commission consider whether the proposal to require water utilities to retain smaller retired meters (i.e., 5/8, 3/4, and 1-inch meters), even when there is no back bill issued, is a cost-effective response given that customer concerns with these smaller retired meters are infrequent, and the dollar amounts involved are small. As an alternative, the Commission could establish limited conditions under which water utilities would be required to retain smaller retired meters (e.g., such as when prior bills were estimated) so that only those retired meters that meet the specified conditions need to be retained. This would limit a utility's costs, but still provide customer protection in those situations where an issue might arise.

Thank you for your consideration of these comments. We would be happy to discuss any questions that you may have about them.

MUNICIPAL ENVIRONMENTAL GROUP
-- WATER DIVISION

/s/ Lawrie J. Kobza

Lawrie J. Kobza
Legal Counsel

cc: MEG - Water Members (via e-mail)

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