

**Water Conservation and Efficiency Rules  
Suggested Administrative Code Language in Ch. PSC 185**

SECTION x. Section PSC 185.12 (3g), (3m) and (3r) are created to read:

**185.12 (3g)** “Class AB utility” means a public utility that has 4,000 or more service connections.

**185.12 (3m)** “Class C utility” means a public utility that has between 1,000 and 4,000 service connections.

**185.12 (3r)** “Class D utility” means a public utility that has less than 1,000 service connections.

SECTION x. Section PSC 185.12 (20m) is created to read:

**185.12 (20m)** “Station meter” means any meter used to measure the volume or flow of water within a utility’s distribution system and not used to measure customer use. Station meters include any meter used to measure water pumped from groundwater wells, surface water intakes, storage facilities, treatment facilities, and booster pumps.

SECTION x. Section PSC 185.12 (22) is created to read:

**185.12 (22)** “Water conservation” means practices, techniques, and technologies that result in a beneficial reduction of water use, water loss, or waste, or that improve water use efficiency.

SECTION x. Section PSC 185.21 (intro.) is renumbered PSC 185.21 (1) (intro.).

***NOTE: This automatically renumbers 185.21 (1) to (11) to 185.21 (1) (a) to (k).***

SECTION x. Section PSC 185.21 (1) (title) is created to read:

**185.21 (1) (title) INCLUDED IN SCHEDULES.**

SECTION x. Section PSC 185.21 (2) is created to read:

**185.21 (2) RATES FOR WATER SERVICE.** (a) A public utility shall adopt general service water rates that do all of the following:

1. Reflect the cost of service for each class of customer.
2. Include a fixed charge based on the size of the meter.
3. Include a volume charge based on actual customer consumption.

(b) A public utility may request the commission to approve rates that promote efficient water use.

(d) A public utility may not adopt a rate under par. (a) or (b) if the commission finds that the rate is discriminatory or otherwise not in the public interest.

SECTION x. Section PSC 185.33 (1m) is created to read:

**PSC 185.33 (1m)** A public utility that calculates its volume charges in units of cubic feet shall include customer usage in both cubic feet and gallons on the customer bill or provide a formula for converting usage in cubic feet to gallons on the customer bill or in a document mailed along with the customer bill.

SECTION x. Section PSC 185.33(2) is amended to read:

**PSC 185.33 (2)** Upon customer request, the public utility shall provide consumption information by billing periods for at least the last year and information and instructions needed by the customer to make consumption comparisons to similar customers and to evaluate water conservation efforts.

SECTION x. Section PSC 185.815 is repealed.

SECTION x. Section PSC 185.84 is repealed.

SECTION x. Section PSC 185.85 is repealed and recreated to read:

**185.85 Water audits and water loss control. (1) DEFINITIONS.** In this section:

(a) “Apparent loss” means the volume of water attributable to customer and station meter inaccuracies, billing and data transfer errors, unauthorized consumption, and theft.

(b) “Authorized consumption” means the volume of water used by metered and unmetered customers and the volume of water used for other purposes that is implicitly or explicitly authorized by the utility, including water used for flushing water mains and sewers, fire protection and training, street cleaning, public fountains, freeze prevention, and other municipal purposes regardless of whether the use is metered.

(d) “Commercial customer” means any business, not-for-profit organization, or other institution that provides goods or services and that takes service for non-residential purposes, except that

multiple-family apartments and condominiums with three or more dwelling units and that share service through a single water meter are classified as commercial.

**Note:** Churches, private schools, private colleges and universities, co-ops, and associations are non-governmental entities and are considered commercial customers.

(e) “Industrial customer” means a customer who is engaged in the manufacture or production of goods.

(f) “Irrigation” means the use of water to sustain crops, lawns, or landscapes, including water used on athletic fields, parks, and golf courses.

(g) “Irrigation customer” means any customer who has water service provided primarily for irrigation and other outdoor uses. Irrigation customers may include persons who have multiple meters installed on a single lateral for the purpose of measuring water that is not discharged to the sanitary sewer system.

(h) “Non-residential customer” includes commercial, industrial, and public authority customers.

(i) “Public authority customer” means any department, agency, or entity of the local, state, or federal government, including a public school, college, or university.

(j) “Real loss” means the volume of water attributable to leaks and losses in the pressurized distribution system up to the customer meter, including water lost due to main breaks, service breaks, and tank and reservoir overflows.

(k) “Residential customer” means any customer taking service for residential or domestic purposes, except that multi-family buildings that house three or more dwelling units and that are served by a single meter are classified as commercial unless otherwise specified by tariff.

(L) “Revenue water” means the volume of water entering the distribution system that is billed and for which the utility receives revenue.

(m) “System loss” means the volume of water equal to the difference between the volume of water entering the distribution system and the volume of water that is sold.

**Note:** The term “system loss” is equivalent to the term non-revenue water as described in the American Water Works Association M36 manual.

(n) “Unaccounted for water” means the volume of water entering the distribution system for which a specific use or purpose cannot be determined.

(p) “Water loss” means the difference between the volume of water entering the distribution system and authorized consumption.

**Note:** Water loss equals the sum of real and apparent losses that are caused by unauthorized consumption, meter inaccuracies, accounting errors, data processing errors, leaks in transmission and distribution mains, leaks in service connections up to the customer meter, seepage, overflow, evaporation, theft, malfunctioning distribution system controls, and other unaccounted for water, as described in the American Water Works Association M36 manual.

(2) SYSTEM LOSS. Each public utility shall minimize system loss by doing all of the following:

(a) Metering all water uses and sales, where practicable.

(b) Maintaining and verifying the accuracy of customer meters.

- (c) Maintaining and verifying the accuracy of station meters.
- (d) Identifying and repairing leaks in its distribution system to the extent that it is cost-effective for the public utility to do so.
- (e) Controlling water usage from hydrants.
- (f) Maintaining a continuing record of system pumpage and metered consumption.
- (g) Conducting an annual water audit.

**(3) WATER AUDITS.** (a) A public utility shall conduct an annual water audit on a calendar year basis and submit the results of the audit to the commission in a format specified by the commission no later than April 1 of each year.

(b) A public utility water audit shall include the measured or estimated volume of all of the following:

1. Water purchased or pumped from all sources.
2. Water used in treatment or production processes.
3. Water entering the distribution system.
4. Water sold, including both metered and unmetered sales.
5. Water not sold but used for utility-authorized purposes, including flushing mains, fire protection, freeze prevention, and other authorized system uses.
6. Water loss.
7. Unknown or unaccounted for water.

(c) The components of a water audit are shown as follows:

System Input Volume (Finished Water + Purchased Water)	Authorized Consumption	Billed Authorized Consumption	Billed Metered Consumption (including water exported, wholesale sales)	Revenue Water	
			Billed Unmetered Consumption (Bulk water sales, utility uses)		
		Unbilled Authorized Consumption		Unbilled Metered Consumption	System Loss
				Unbilled Unmetered Consumption	
	Water Losses	Apparent Loss		Unauthorized Consumption (Theft, uncontrolled hydrants, etc.)	
				Metering Inaccuracies (Customer, station meters)	
				Data Handling Errors	
		Real Losses		Leakage on Transmission and Distribution Mains	
				Leakage and Overflows at Utility's Storage Tanks	
				Leakage on Service Connections (Up to point of customer meter)	

**(3) WATER LOSS CONTROL.** (a) Each public utility shall calculate its annual percentage of system loss and its percentage of water loss, based on the volume of water entering its distribution system.

(b) A public utility shall submit to the commission a water loss control plan if a water audit shows the public utility has any of the following:

1. A percentage of system loss that exceeds 30 percent.
2. A percentage of water loss that exceeds 15 percent for a Class AB or Class C utility or 25 percent for a Class D utility.

(c) A water loss control plan under par. (b) shall include all of the following:

1. The reasons for the excessive system loss or water loss.
2. A description of the measures that the utility plans to undertake to reduce water loss to acceptable levels within a reasonable time period.
3. An analysis of the costs of implementing a water loss control program, including a comparison of lost sales revenue and the costs that would be avoided by reducing leaks and losses.
4. Any additional information required by the commission.

(d) The commission may require a public utility to conduct a leak detection survey of its entire distribution system if for three consecutive years the public utility's percentage of water loss exceeds 15 percent for a Class AB and Class C utility or 25 percent for a Class D utility.

SECTION x. Section PSC 185.87 is repealed.

SECTION x. Section PSC 185.89 is created to read:

**PSC 185.89 Adequacy of Water Supply, Emergency Operations and Interruptions of Service. (1) ADEQUACY OF WATER SUPPLY.** A public utility shall exercise reasonable diligence to furnish a continuous and adequate supply of water to its customers.



(2) EMERGENCY OPERATION. (a) A public utility shall make reasonable provisions to meet an emergency resulting from the failure of power supply or from fire, storm, or similar events. A public utility shall inform its employees of procedures to be followed in an emergency to prevent or mitigate the interruption or impairment of water service.

(3) INTERRUPTIONS OF SERVICE. (a) A public utility shall make all reasonable efforts to prevent interruptions of service. If an interruption occurs, the public utility shall re-establish service with the shortest possible delay, consistent with safety to its employees, customers, and the general public.

(b) If an emergency interruption affects fire-protection service, a public utility shall immediately notify the fire chief or other responsible local official.

(c) A public utility shall schedule planned interruptions at times that cause the least customer inconvenience. A public utility shall make reasonable efforts to notify customers of the time and anticipated duration of a planned interruption.

SECTION x. Section PSC 185.90 is created to read:

**PSC 185.90 Water Supply Emergencies.** (1) DEFINITIONS. In this section, “water supply emergency” means a condition under which a public utility cannot adequately meet customer demand due to drought, insufficient source capacity, excessive demand, or other emergency.

(2) APPLICABILITY. Unless a public utility has a water supply emergency curtailment plan filed with the commission under s. PSC 185.21, the provisions of this section apply.

**(3) TEMPORARY INTERRUPTION.** Except as provided in sub. (4), a public utility may temporarily curtail or interrupt water service to some or all of its customers during a water supply emergency, if all of the following apply:

(a) The interruption or curtailment is necessary to protect public utility facilities, to prevent a dangerous condition, or to alleviate a condition that presents an imminent threat to public health, welfare, or safety.

(b) The public utility first requests all customers to enact voluntary water conservation measures to reduce water consumption, including limiting irrigation and other non-essential uses.

(c) The interruption or curtailment is implemented in an equitable manner that allows the public utility to maintain reasonably adequate service to the greatest number of customers.

**(4) APPROVAL TO INTERRUPT.** A public utility may not interrupt or curtail service to a customer under this section without the commission's prior approval if the customer provides essential public health, welfare, or safety functions that require consistent water service or if any of the conditions described in s. PSC 185.37 (8) (h), (8m), (9), or (10) apply.

**(5) UTILITY RESPONSIBILITIES.** If a public utility determines that it is necessary to interrupt or curtail service under this section, the public utility shall do all of the following:

(a) Make reasonable efforts to notify each customer affected by the water supply emergency.

(b) Provide each customer subject to interruption or curtailment due to a water supply emergency with a minimum volume of water sufficient to avoid undue economic hardship. The public utility may interrupt or curtail all service to a customer if that action is necessary to avoid an imminent threat to public health, welfare, or safety.

(c) Promptly restore service.

(6) REPORT. A public utility shall report to the commission within 7 days of a water supply emergency. The public utility shall include in the report the reasons for any interruption or curtailment, the number of customers affected, the duration of the interruption or curtailment, and any other information requested by the commission.

SECTION x. Subchapter IX of chapter PSC 185 is created to read:

### **Subchapter IX – Water Conservation and Efficiency**

**185.95 Definitions.** In this subchapter:

(1) “Net cost-effectiveness” means the extent to which a water conservation program or measure is cost-effective, after being adjusted for all of the following:

1. The amount of water savings that would have been achieved in the absence of the water conservation program or measure.
2. The amount of water savings directly attributable to the influence of the water conservation program or measure but that is not specifically included in the program or measure.

(2) “Voluntary program” means a water conservation program that a public utility voluntarily proposes for commission approval.

**185.96 Customer Education Requirements.** Upon request, a public utility shall provide information to its residential customers that may assist a customer in reducing outdoor water use, repairing residential water leaks, and implementing other water conservation measures. This information may be provided on the public utility’s web site.

**185.97 Voluntary Water Conservation Programs. (1) REQUEST TO ADMINISTER OR FUND A VOLUNTARY PROGRAM.**

(a) A public utility may file a request with the commission to administer or fund one or more voluntary programs within its service area. A utility requesting such a program shall provide all of the following information:

1. A description of the proposed program, including the target market, eligible measures, delivery strategy, marketing and communications strategy, incentive strategy, and potential market effects for programs that include rebates or other financial incentives.
2. The proposed annual program budget, including administrative costs, and source of funding.
3. Annual and multi-year performance targets that are consistent with commission goals and policies.
4. A portfolio and program level net cost-effectiveness analysis.
5. A description of the public utility's proposed tracking and reporting system.
6. A description of the public utility's proposed evaluation, measurement, and verification plan.
7. A description of how the public utility will coordinate its voluntary program with any statewide water conservation programs.
8. Any other information the commission requests.

(b) A public utility may not administer or fund a voluntary program that provides rebates or other direct financial incentives to its customers for water efficient products or services without the commission's approval.

**(2) APPROVAL OF VOLUNTARY PROGRAMS.** (a) The commission shall consider each of the following when deciding whether to approve a voluntary program:

1. Whether the program is in the public interest.

2. The likelihood the public utility will achieve its program goals.
3. The inclusion of appropriate water conservation measures.
4. The adequacy of the proposed budget.
5. The net cost-effectiveness of the program.
6. The adequacy of the public utility's evaluation, measurement, and verification plan.
7. The level of coordination with any statewide water conservation programs.

(b) Unless the voluntary program is included in a general rate proceeding, the commission shall issue its decision to approve, deny, or modify a proposed voluntary program in writing within 40 working days after receiving the proposal. If the commission denies or modifies a proposed voluntary program it shall explain its reasons for the denial or modification. If the commission denies a voluntary program, the public utility may revise and resubmit a request for approval of a voluntary program at any time.

**(3) MODIFYING OR DISCONTINUING A VOLUNTARY PROGRAM.** A public utility may request that the commission authorize the modification or discontinuation of a voluntary program at any time. A public utility may not modify or discontinue a voluntary program without commission approval.

**(4) RETURN OF FUNDS.** The commission may require a public utility to return any unspent funds collected for a voluntary program approved under this section to its ratepayers.

**(5) ANNUAL REPORTS.** A public utility receiving commission approval for a voluntary program under this section shall submit an annual report to the commission no later than April 1

each year. The report shall be in a format specified by the commission and shall include all of the following:

- (a) A summary of program activities in the previous calendar year.
- (b) An itemized accounting of administrative and program costs.
- (c) The program balance or deficit at the end of the year.
- (d) Estimated water savings attributable to the program, by customer class.
- (e) The number of customers receiving rebates or other incentives.
- (f) Estimated non-water benefits, including energy savings.
- (g) Other performance metrics identified by the public utility.
- (h) Any other information requested by the commission.

**(6) AUDITS AND VERIFICATION.** The commission may conduct an audit, or contract with an independent third-party evaluator to conduct an audit, to verify the performance of a public utility's voluntary program. The public utility shall pay for the costs of the evaluation, as determined by the commission.

(end)