



MU Seeks Electric and Water Rate Increases

For Immediate Release

(July 27, 2016)

(Marshfield, WI) – For the first time in five years, Marshfield Utilities (MU) is seeking an increase in electric rates. The last rate increase was requested in 2011 and was effective on January 1, 2012. Since then, MU has invested nearly \$11 million in improvements in the electric utility. During this time, local operating expenses have increased 9.5 percent, or less than 2.4 percent per year. The rate increase request has been filed with the Public Service Commission of Wisconsin (PSCW). If approved, the overall increase in rates would be 5 percent, which is an average increase of about 1 percent per year.

MU is also seeking an increase in water rates to address the need for replacing aging water mains. MU is seeking a higher rate of return that would help fund the replacement of aging water mains. The higher rate of return would provide an additional \$500,000 of revenue each year, eliminating the need for outside financing to fund the main replacements. If outside financing would be used, a \$1 million project would cost more than \$1.5 million when interest and other costs are included. The Marshfield Utilities Commission and the Marshfield Common Council have given their support to increase the rate of return. If the higher rate of return is approved by the PSCW, the average residential bill for water consumption will increase less than \$3.50 per month to about \$31, which includes the public fire protection charge on a property valued at \$100,000.

The PSCW will perform cost of service studies to determine the actual rate increases. MU customers will have the opportunity to address the PSCW during the Rate Case Hearings that will be scheduled at a later date.

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Since 1904, Marshfield Utilities has been providing customers in the Marshfield, Wisconsin area with high-quality service while managing rates to enhance the service area's economy. With more than 13,800 electrical customers and 8,300 water customers, Marshfield Utilities maintains a rate of operating profit that provides adequate funds to meet current and future operational needs.

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