



To: Members, Assembly Committee on Energy and Utilities  
From: League of Wisconsin Municipalities  
Municipal Environmental Group – Water Division  
Wisconsin Rural Water Association  
Date: May 25, 2021  
RE: **Support for AB 302 Modify PSC’s Construction Authorization Exemptions for Water Meter Projects**

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Our organizations submit these comments in support of Assembly Bill 302 (as amended by Assembly Substitute Amendment 1), which will exempt water utility meter upgrade projects from the PSC construction review. Revising this bureaucratic requirement will reduce the cost and red tape involved in installing upgraded water meters that more accurately measure water usage, reduce labor costs associated with meter reading, and streamline utility operations.

Under current law, PSC is authorized to adopt rules requiring public utilities to obtain a Certificate of Authority for projects to construct new facilities or to improve or add to existing facilities or equipment. Specific statutory exemptions apply based on utility-type, project scope and cost. Under Wis. Stat. § 196.49(5g)(ar)1m.e., a water utility project is exempt if it costs less than \$250,000 or 25 percent of the utility’s operating revenues in the prior year, whichever is less. For a multi-year project (which most meter projects are), the cost threshold applies to the total project cost, not the annual project cost.

PSC’s water utility construction rules (Wis. Admin. Code, PSC 184) provide additional exemptions for water utility projects including projects for “routine meter repair or replacement,” although this exemption is strictly limited by PSC. PSC does not apply the exemption to projects involving technology upgrades or accelerated meter replacement. Almost always, water meter replacement projects involve a technology upgrade, as old meters are replaced with new system technology. And, as new system technology is installed, it is not uncommon for some meters to be replaced sooner than anticipated so that all meters are able to work with the new technology. As a result, most water meter replacement projects require the PSC Construction Authorization Review.

AB 302, as amended by Assembly Substitute Amendment 1, will exempt all meter projects from the PSC Construction Authorization process. Water meter projects will still be reported to the PSC either through rate cases or annual reporting requirement.

Finally, PSC rules do not require construction review for electric meter upgrades. PSC rules appear to presume that electric meter upgrade projects are in the public interest. Water utility meter upgrade projects are also in the public interest and should be afforded the same treatment as electric meter upgrade projects.

PSC review of meter upgrade projects has not resulted in benefits or improved projects for ratepayers. To our knowledge, all meter projects have been approved. **But the need for PSC review of these meter upgrade projects has resulted in project delays, increased costs, and the expenditure of valuable PSC staff time (the cost of which is then billed to the utility).** On behalf of our organizations, we ask for your support for this legislation.