

October 24, 2017

Senate Elections & Utilities Committee
Senator LeMahieu (Chair)
Senator Kapenga (Vice-Chair)
Senator Wanggaard
Senator Miller
Senator Risser

RE: Opposition to Advertising Language in SB 475

Dear Chairman LeMahieu and Committee Members:

The Municipal Environmental Group - Water Division (MEG - Water), an association of 61 municipal water systems that advocates on issues involving municipal water supply, opposes the advertising language contained in SB 475 and asks that Section 51 of SB 475 be deleted.

Wisconsin Statute § 196.595 currently prohibits electric and gas utilities -- but not water utilities - from including "advertising" expenditures (which is defined very broadly and includes customer information and education) in utility rates unless the advertising produces a "demonstrated, direct and substantial benefit for ratepayers." Advertising which produces a demonstrated, direct and substantial benefit for ratepayers **is limited** by § 196.595(2)(b) to advertising which (1) demonstrates energy conservation methods; (2) conveys safety information on the use of energy; (3) demonstrates methods of reducing ratepayer costs; (4) otherwise directly and substantially benefits ratepayers; or (5) is required by law.

Section 51 of SB 475 would extend this broad prohibition to water utilities but **would not** expand the criteria for defining when "advertising" produces a demonstrated, direct and substantial benefit for ratepayers to cover water utility issues.

MEG - Water's municipal water utility members are opposed to this change as it would take away water utility funding to provide customer education and public information. Water utilities should be providing customers and the public with more information and education, not less.

Some of the types of information which water utilities may provide to their customers and the public which would not clearly fall within the § 196.595(2)(b) exceptions to the advertising expenditure prohibition include information on:

- Where the utility's water supply comes from, how it is treated, how it is delivered, and what is done to keep it safe and reliable;
- Why and when utility construction is needed, including the cost of construction;
- The need to replace aging infrastructure (including lead services);
- The need for private lead service line replacement;

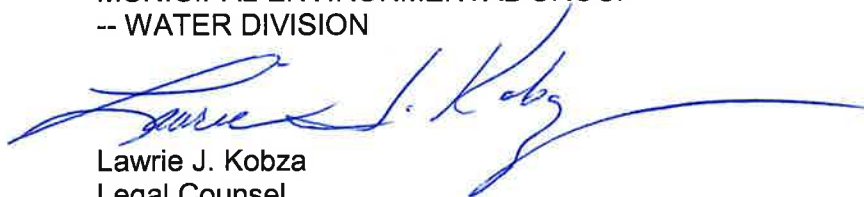
- The need for and benefits of source water protection and wellhead protection;
- Protections against cross connections;
- Information on hydrant flushing;
- The need for shoveling hydrants; and
- Information on how to prevent water laterals from freezing including requests to run water during periods of cold weather.

This is all important information that municipal water utilities should be providing to their customers. There is no reason that the cost of providing this information should be excluded from utility rates.

MEG - Water asks that Section 51 of SB 475 be deleted and municipal water utilities be allowed to continue recovering the cost of providing customer information and public education in rates.

Thank you for your consideration of these comments.

MUNICIPAL ENVIRONMENTAL GROUP
-- WATER DIVISION



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