

**Modifications From Agency**

**TEXT OF THE RULE**

SECTION 1. Chapter PSC 184 repealed and recreated to read:

**Chapter PSC 184**

**Construction of and Placing into Operation of Water and Sewer Facilities**

PSC 184.01	Scope.
PSC 184.02	Definitions.
PSC 184.03	Activities requiring commission authorization.
PSC 184.04	Applications for commission authorization.
PSC 184.05	Commission procedures.
PSC 184.06	Emergency work.

**PSC 184.01. Scope.** (1) **APPLICABILITY.** This chapter applies to a utility.

(2) **INDIVIDUAL SITUATIONS.** Nothing in this chapter precludes the commission from giving individual consideration to exceptional or unusual situations or, upon investigation, from establishing requirements for a utility or service that are different from those provided in this chapter.

**PSC 184.02 Definitions.** In this chapter:

(1) “Acquire” means the acquisition of plant in place and ready for operation, but does not include the purchase of materials or equipment for later installation.

(2) “Certificate” means a certificate issued by the commission under ss. 196.49 or 196.50, Stats.

(3) “Commission” means the public service commission.

(4) “Department” means the department of natural resources.

(5) “Municipality” means a city, village or town.

(6) “Plant” means all equipment, property, or facilities included in the utility plant accounts under the uniform system of accounts prescribed by the commission.

(7) “Project cost” means the total estimated costs of a proposed project including land acquisition, construction, pilot testing, test wells, inspection, and fees for professional services.

(8) “Service area” means the geographic area within which a utility has an obligation to provide service.

(9) “Utility” means a water public utility, as defined in s. 196.01(5) (a), Stats., a combined water and sewer public utility under s. 66.0819, Stats., or any person, except a governmental unit, who furnishes service to or for the public by means of a sewerage system, as defined in s. 281.01 (14), Stats.

**PSC 184.03 Activities requiring commission authorization. (1) NEW UTILITY.** A person intending to operate as a utility may not begin construction of, install, or place in operation any facilities for furnishing water or sewer service in a municipality in which the person is not currently furnishing water or sewer service as a utility without the commission’s prior approval.

**(2) EXPANSION, ACQUISITION, AND INTERCONNECTION.** A utility shall obtain a certificate from the commission before undertaking any of the following:

(a) Constructing facilities or initiating service in a municipality not currently served by the utility.

(b) Constructing facilities or initiating service in a service area of another utility.

(c) Acquiring or placing in operation existing facilities for furnishing water or sewer service obtained from another person or utility.

(d) Establishing an interconnection with another utility with which it has no existing interconnection.

(e) Combining or consolidating with another utility.

**(3) CONSTRUCTION OF FACILITIES.** A utility shall obtain a certificate from the commission before constructing, purchasing, installing, modifying, replacing, or placing in operation any plant not exempt under sub. (4) if the project cost exceeds \$250,000 or 25 percent of the utility's gross water or sewer operating revenue received during the previous calendar year, whichever is less, or exceeds the cost threshold established under s. 196.49 (5g) (b).

**Note:** Examples of projects that typically require a certificate include all of the following:

1. Groundwater wells, surface water intakes, and other sources of water supply.
2. Water treatment, purification, and disinfection facilities.
3. Elevated tanks, reservoirs, and other storage facilities.
4. Pumping stations, pressure-reducing stations, and associated facilities.
5. Utility buildings.
6. Utility main if a portion of the main is located outside of the utility's service area or if the main is eight inches or greater in nominal diameter and three or more miles long.
7. Sewer facilities, including any pumping facilities or sewage treatment and disposal plant.

**(4) CERTIFICATE NOT REQUIRED.** Notwithstanding sub. (3), a utility does not need a certificate to do any of the following:

(a) Install, replace, or repair a utility main, unless one of the following applies:

1. A portion of the main is located outside of the utility's service area.

2. The main is eight inches or greater in nominal diameter and three or more miles long.
- (b) Install, replace, or repair service laterals, hydrants, or valves within the utility's service area.
  - (c) Routine meter repair or replacement.
  - (d) Install, replace, or repair supervisory control and data acquisition (SCADA) systems, telemetry equipment, or other electronic monitoring and control systems.
  - (e) Replace or repair existing pumps, motors, or associated equipment.
  - (f) Conduct routine maintenance or repair to utility facilities, including buildings used for utility purposes.
  - (g) Replace or repair filtration media used in existing water treatment purification and disinfection facilities.
  - (h) Install plant in accordance with filed extension rules and rates.
  - (i) Install plant in compliance with a commission order.
  - (j) Relocate or modify existing plant to accommodate highway or airport construction.
  - (k) Acquire vehicles or other movable equipment.

**PSC 184.04 Applications for commission authorization. (1) TIMING AND COST**

**INCREASES.** (a) For any project requiring commission authorization under s. PSC 184.03, a person or utility shall submit the information required in this section at least 90 days, but no earlier than 2 years, before beginning the project.

(b) For any project receiving commission authorization under s. PSC 184.05 that is not begun within 2 years from the date of the authorization, a utility shall notify the commission of revised project costs, the schedule for completion, and any other changes to the proposed project. The commission may reconsider its authorization for a revised project under s. PSC 184.05.

(c) If the scope, design or location of a project receiving commission authorization under s. PSC 184.05 changes significantly, or if it is discovered or identified that the project cost may exceed the estimated project cost by more than 10 percent, the utility shall promptly notify the commission as soon as the utility becomes aware of the possible change or cost increase. The commission may reconsider its authorization for a revised project under s. PSC 184.05.

**(2) CONSULTATION.** For projects subject to s. 196.025 (2m), Stats., before submitting an application for a certificate, a utility shall consult with commission staff, in cooperation with staff from the department, on the scope of the proposed project, the alternatives that must be considered in the application, and additional information that the commission may require as part of the application.

**(3) CONTENTS OF APPLICATION.** A person or utility seeking authorization for any activity under s. PSC 184.03 (1) and (2) or a utility seeking a certificate under s. PSC 184.03 (3) shall submit an application to the commission that includes all of the following, where applicable:

(a) A description of the project including all project components, phases, and a schedule of construction.

(b) Information supporting the purpose and necessity of the project.

(c) An analysis and description of alternatives to the project.

(d) An analysis of the effect of the project on the quality and reliability of service.

(e) The project cost itemized by major plant accounts as identified in the uniform system of accounts, including all administrative, overhead, engineering, legal, construction, and inspection costs.

(f) Identification of the proposed project funding sources, including utility or municipal sources and outside grants or loans. If the project will be financed, the utility shall include expected financing rates and terms.

(g) An estimate of annual operating costs of the project, by major expense accounts as identified in the uniform system of accounts.

(h) A description of any plant being retired or replaced and the year it was placed in service, if known.

(i) A map showing the location of the project and all proposed facilities by Public Land Survey System (PLSS) quarter-quarter section or by another methodology approved by the commission.

(j) A list of any permits or approvals required by other state agencies or local governmental units and a statement indicating whether the permits or approvals have been applied for or obtained.

(k) For a project under s. PSC 184.03 (3), that includes new or expanded groundwater wells, surface water intakes, or other sources of water supply, information on any action the utility has taken to mitigate the need for the project.

(L) The identification of any flood-sensitive facilities that would be located in designated flood plains or flood-prone areas.

(m) For utility main construction projects, include all of the following:

1. The identification and description of each surface water potentially affected by construction.
2. The identification and description of each wetland potentially affected by construction.
3. An evaluation of whether any endangered or threatened species are present and what affect the project could have on those species. For each species identified, describe how the proposed project may be modified to reduce or eliminate any potential effect on the species.

4. An evaluation of whether any known archeological or historical resources are present. For each resource identified, describe how the proposed project may be modified to reduce or eliminate any potential effect on the resource.

(n) Information to allow the commission to prepare an environmental assessment for a project subject to s. PSC 4.10 (2), or for a project that require coordinated commission and department review under s. 30.025, Stats. After consultation with the applicant, the commission shall identify any additional information required on a case-by-case basis.

(p) Any other information relevant to the project requested by the commission.

**(4) GROUPING OF PROJECTS.** As an alternative to requesting a certificate for each project separately, a utility may submit on an annual basis a list of projects requiring approval under s. PSC 184.03 (3) that the utility intends to begin constructing within one year. For each project on this list, the utility shall include the information required by this section.

**(5) APPLICATION SUBMITTAL.** A person or utility shall submit an application under this section using the commission's Electronic Regulatory Filing (ERF) system.

**PSC 184.05 Commission procedures. (1) APPLICATION REVIEW.** (a) Upon receipt of a complete application under s. PSC 184.04, the commission shall issue a notice of investigation or notice of proceeding.

(b) The commission may approve or deny an application in whole or in part, and may modify or condition the authorization as the public convenience and necessity may require.

**(2) TIME FOR REVIEW.** Unless the application requires the preparation of an environmental assessment under s. PSC 4.10 (2), if no action is taken by the commission within 90 days after the commission issues a notice of investigation under sub. (1) (a), the utility may proceed with

the construction work. If the commission requests additional information to process an application after issuing a notice of investigation, the 90-day waiting period before construction work may commence begins the date the additional information is received by the commission.

**(3) HEARING.** The commission is not required to hold a hearing on a utility application for a certificate unless any of the following apply:

(a) A statute or rule otherwise requires a hearing.

(b) The commission treats the application as a contested case, as defined in s. 227.01 (3), Stats.

(c) The proposed project requires the preparation of an environmental impact statement under s. 1.11, Stats.

(d) The commission determines a hearing is appropriate.

**PSC 184.06 Emergency work.** In case of an emergency resulting from the failure of power supply or from fire, storm, or similar events, a utility may begin necessary repair work without receiving prior commission authorization. The utility shall promptly notify the commission of the emergency work and shall, within 30 days after commencing the work, furnish the commission with the information required under s. PSC 184.04 (3).

SECTION 2. Section PSC 185.12 (3e), (3m) and (3s) are created to read:

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

**(3m)** “Class C utility” means a public utility that has not fewer than 1,000 nor more than 4,000 service connections.

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



SECTION 3. Section PSC 185.12 (4m) is created to read:

**PSC 185.12 (4m)** “Commercial customer” means a business, not-for-profit organization, or other institution that provides goods or services and that takes service for non-residential purposes.

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

SECTION 4. Section PSC 185.12 (10e), (10m) and (10s) are created to read:

**PSC 185.12 (10e)** “Industrial customer” means a customer who is engaged in the manufacture or production of goods.

**(10m)** “Irrigation” means the use of water to sustain crops, lawns, or landscapes, including water used on athletic fields, parks, and golf courses.

**(10s)** “Irrigation customer” means a customer who has water service provided primarily for irrigation and other outdoor uses.

SECTION 5. Section PSC 185.12 (11m) is created to read:

**PSC 185.12 (11m)** “Multi-family residential customer” means a customer taking service for a building that is intended primarily for residential purposes, has three or more dwelling units, and is served by a single water meter.

**Note:** For accounting purposes, sales to multi-family residential customers are recorded as commercial sales under to the Commission's Uniform System of Accounts for Municipal Water Utilities (January 2008).

SECTION 6. Section PSC 185.12 (12m) is created to read:

**PSC 185.12 (12m)** "Non-residential customer" means any commercial, industrial, or public authority customer.

SECTION 7. Section PSC 185.12 (17m) is created to read:

**PSC 185.12 (17m)** "Public authority customer" means a customer that is a department, agency, or entity of the local, state, or federal government, including a public school, college, or university.

SECTION 8. Section PSC 185.12 (20g) and (20r) are created to read:

**PSC 185.12 (20g)** "Residential customer" means a customer taking service for residential or domestic purposes but does not include a multi-family residential customer.

**(20r)** "Station meter" means a meter used to measure the volume or flow of water within a utility's distribution system and not used to measure customer use. Station meter includes any meter used to measure water pumped from groundwater wells, surface water intakes, storage facilities, treatment facilities, or booster pumps.

SECTION 9. Section PSC 185.12 (22) is created to read:

**PSC 185.12 (22)** “Water conservation” means practices, techniques, and technologies that reduce the demand for water, reduce water loss or waste, or improve water use efficiency.

SECTION 10. Section PSC 185.21 (intro.) is renumbered PSC 185.21 (1) (intro.).

SECTION 11. Section PSC 185.21 (1) (title) is created to read:

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

SECTION 12. Section PSC 185.21 (2) is created to read:

**PSC 185.21 (2) RATES FOR WATER SERVICE.** (a) A public utility shall adopt general service water rates that reflect the cost of service for each class of customer and include a volume charge based on actual customer consumption.

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

(c) The commission may approve rates that promote efficient water use.

(d) A utility may adopt rates that treat multi-family residential customers as a separate customer class.

SECTION 13. Section PSC 185.22 (5) is renumbered PSC 185.22 (5) (a).

SECTION 14. 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. In lieu of providing the information on the customer bill, a public utility may provide the information in a document provided to each customer under sub. (1) (f).

SECTION 15. Section PSC 185.33 (2) is renumbered PSC 185.22 (5) (b) and, as renumbered, amended to read:

**PSC 185.22 (5) (b)** Upon a residential 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 residential customers in the same class and to evaluate water conservation efforts.

SECTION 16. Section PSC 185.815 is repealed.

SECTION 17. Section PSC 185.84 is repealed.

SECTION 18. Section PSC 185.85 is repealed and recreated to read:

**PSC 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.
- (c) “Non-revenue water” 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.
- (d) “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.
- (e) “Revenue water” means the volume of water entering the distribution system that is billed and for which the utility receives revenue.
- (f) “Unaccounted-for water” means the volume of water entering the distribution system for which a specific use or purpose cannot be determined.
- (g) “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 – Water Audits and Water Loss Control Programs.

**(2) UTILITY PRACTICES.** A public utility shall do all of the following:

- (a) Meter all water uses and sales, where practicable.
- (b) Maintain and verify the accuracy of customer meters.
- (c) Maintain and verify the accuracy of station meters.
- (d) Identify and repair leaks in its distribution system to the extent that it is reasonable for the public utility to do so.
- (e) Control water usage from hydrants.
- (f) Maintain a continuing record of system pumpage and metered consumption.
- (g) Conduct an annual water audit under sub. (3).

**(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 no later than April 1 of the subsequent 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 in Table 1.

**Table 1. Water Audit Components**

System Input Volume (Finished Water + Purchased Water)	Authorized Consumption	Billed	Billed Metered Consumption (including water exported, wholesale sales)	Revenue Water	
			Authorized Consumption		Billed Unmetered Consumption (Bulk water sales, utility uses)
		Unbilled			Unbilled Metered Consumption
			Unbilled Unmetered Consumption		
	Water Losses	Apparent Loss	Unauthorized Consumption (Theft, uncontrolled hydrants, etc.)	Non- revenue Water	
			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)	
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**(4) WATER LOSS CONTROL.** (a) Each public utility shall calculate its annual percentage of non-revenue water 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 non-revenue water 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 non-revenue water 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 distribution system if for three consecutive years the public utility's percentage of water loss exceeds 15 percent for a Class AB or Class C utility or 25 percent for a Class D utility.

SECTION 19. Section PSC 185.87 is repealed.

SECTION 20. 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 make reasonable efforts to re-establish service with the shortest possible delay, consistent with safety to its employees, customers, and the general public.

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

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

(d) A public utility shall notify the Commission of a service interruption under s. PSC 185.44

(1).

SECTION 21. Section PSC 185.90 is created to read:

**PSC 185.90 Water Supply Shortage. (1) DECLARATION.** A public utility may declare a water supply shortage if the public utility cannot adequately meet customer demand due to drought, insufficient source capacity, or excessive demand.

**(2) PLAN.** A public utility may adopt a water supply shortage curtailment plan and file the plan with the commission under s. PSC 185.21.

**(3) APPLICABILITY.** Unless a public utility has adopted a water supply shortage curtailment plan under sub. (2), the provisions of this section apply.

**(4) TEMPORARY CURTAILMENT.** Except as provided in sub. (6), a public utility may temporarily curtail water service to some or all of its customers during a water supply shortage, if the 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.

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

(a) Make reasonable efforts to notify customers affected by the water supply shortage.

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

(c) Implement any curtailment in an equitable manner that allows the public utility to maintain reasonably adequate service to the greatest number of customers, consistent with public health, welfare or safety.

(d) Promptly restore service.

**(6) APPROVAL TO CURTAIL ESSENTIAL USE CUSTOMERS.** A public utility may not 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.

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

SECTION 22. Subchapter IX of chapter PSC 185 is created to read:

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

**PSC 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.

**PSC 185.96 Customer Education Requirements.** Upon a residential customer’s request, a public utility shall provide information to the residential customer that may assist the 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.

**PSC 185.97 Voluntary Water Conservation Rebate or Incentive Programs. (1)**

DEFINITION. In this section, “voluntary program” means a water conservation program a public utility voluntarily proposes to administer or fund that provides rebates or other direct financial incentives to customers for water-efficient products or services.

(2) REQUEST TO ADMINISTER OR FUND A VOLUNTARY PROGRAM. A public utility may not administer or fund a voluntary program without commission approval. A public utility may file a request with the commission for authorization to administer or fund one or more voluntary programs within its service area. A utility requesting a voluntary program shall provide all of the following information:

- (a) A description of the proposed program, including the target market, eligible measures, delivery strategy, marketing and communications strategy, incentive strategy, and potential market effects.
- (b) The proposed annual program budget, including administrative costs, and source of funding.
- (c) Annual and multi-year performance targets that are consistent with commission goals and policies.
- (d) A portfolio and program level net cost effectiveness analysis.
- (e) A description of the public utility’s proposed tracking and reporting system.
- (f) A description of the public utility’s proposed evaluation, measurement, and verification plan.
- (g) A description of how the public utility will coordinate its voluntary program with any statewide water conservation program, including any requirements contained in NR chapter 852.
- (h) Any other information the commission requests.

(3) APPROVAL OF VOLUNTARY PROGRAM. (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 program, including any requirements contained in NR chapter 852.

(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.

**(4) 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.

**(5) 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.

**(6) 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 following the covered year. The report 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.

**SECTION 23. INITIAL APPLICABILITY.** (1) The requirement for a water loss control plan under s. PSC 185.85 (4) (b) first applies to a water audit under s. PSC 185.85 (3) conducted after the effective date of this subsection.

(2) The requirement for a leak detection survey under s. PSC 185.85 (4) (d) first applies to water audits under s. PSC 185.85 (3) conducted after the effective date of this subsection.

**SECTION 24. EFFECTIVE DATE.** This rule takes effect on the first day of the first month following publication in the Wisconsin administrative register, as provided in s. 227.22 (2), Stats.

(End)