

D. COMMUNITY RATE COMPARISON

To provide context for the proposed rates for La Crosse, a comparison with the sewer user rates charged by other communities in the region and peer communities around the state was prepared. The basis of the charges, and the estimated total annual bill for a residential customer for each community are shown in the following tables. As shown, for a residential City of La Crosse customer using 44,880 gallons or 6,000 cubic feet of water per year, the estimated annual sewer bill under the adopted rates for 2020 would be \$151.20. The rates are proposed to remain the same for 2021. The projected rates for 2022 would result in an annual bill of \$171.00, or an increase of \$4.95 per quarter over current rates. The projected rates for 2023 would increase the average annual bill to \$181.20 or an increase of \$7.50 per month over current rates. Even with the increase, the average bill would remain well below the average or median bill for the other regional communities.

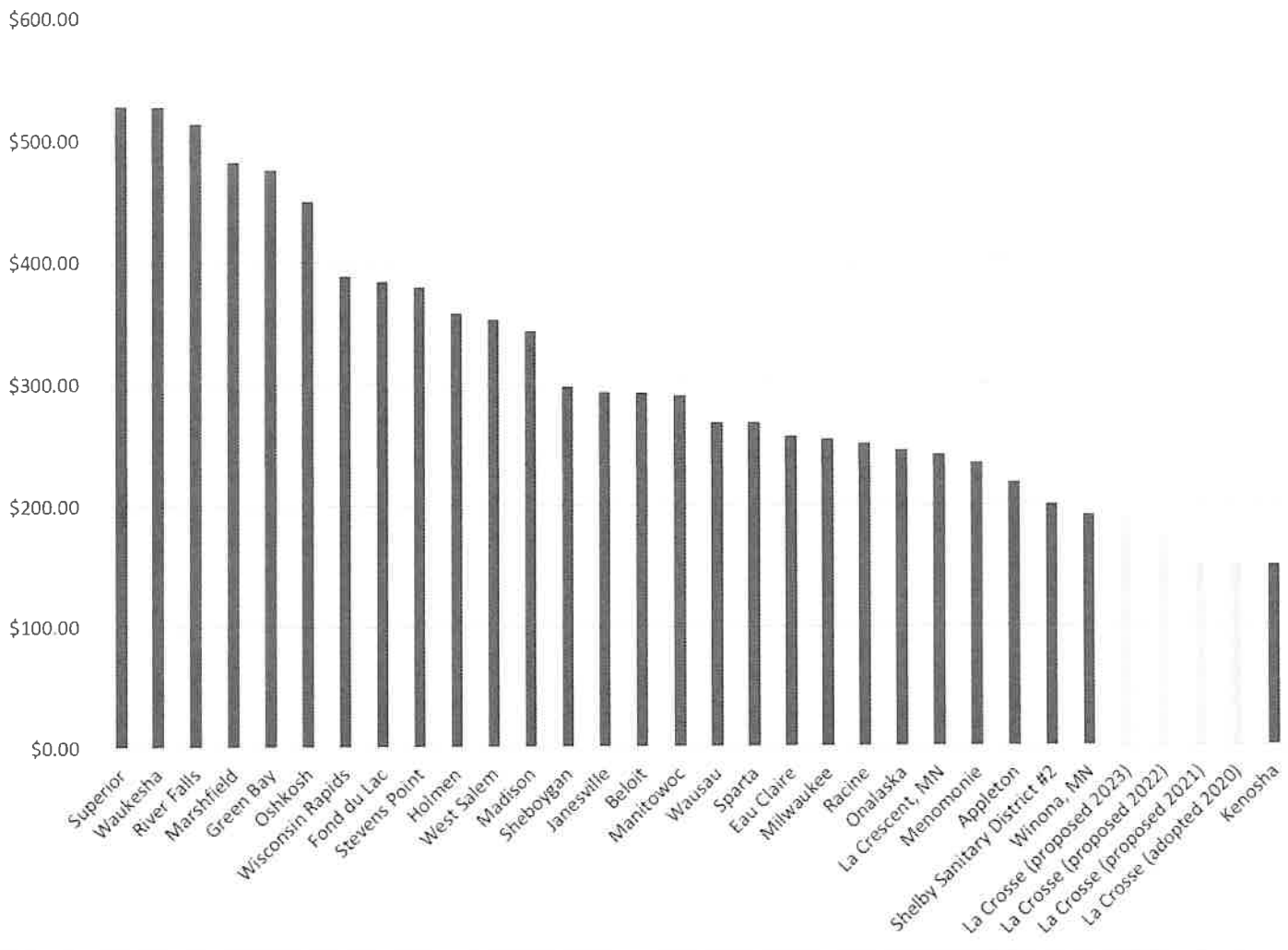
Table 15 - Comparison of Average Annual Residential Bills with UW Communities

Community	Fixed Charge	Bills per Year	Volume Rate	Annual Usage	Units	Annual Bill
Whitewater	\$9.00	12	\$10.65	44,880	gallons	\$585.97
River Falls	\$16.50	12	\$7.04	44,880	gallons	\$513.96
Green Bay	\$14.50	12	\$5.04	6,000	ft ³	\$476.40
Platteville	\$15.45	12	\$4.75	6,000	ft ³	\$470.40
Oshkosh	\$29.00	4	\$5.22	6,000	ft ³	\$429.20
Fond du Lac	\$37.50	4	\$3.91	6,000	ft ³	\$384.60
Stevens Point	\$34.00	4	\$3.82	6,000	ft ³	\$365.20
Madison	\$14.26	12	\$3.37	44,880	gallons	\$322.37
Superior	\$2.00	12	\$4.96	6,000	ft ³	\$321.60
Eau Claire	\$7.01	4	\$3.81	6,000	ft ³	\$256.64
Milwaukee	\$15.84	4	\$3.18	6,000	ft ³	\$254.16
Menomonie	\$16.00	4	\$2.60	6,000	ft ³	\$220.00
La Crosse (proposed 2023)	\$15.00	4	\$2.15	6,000	ft³	\$189.00
La Crosse (proposed 2022)	\$15.00	4	\$1.90	6,000	ft³	\$174.00
La Crosse (proposed 2021)	\$15.00	4	\$1.52	6,000	ft³	\$151.20
La Crosse (adopted 2020)	\$15.00	4	\$1.52	6,000	ft³	\$151.20
Average w/o La Crosse						\$383.37
Median w/o La Crosse						\$374.90

Table 16 - Comparison of Average Annual Residential Bills with Regional and Peer Communities

Community	Fixed Charge	Bills per Year	Volume Rate	Annual Usage	Units	Annual Bill
Superior	\$5.50	12	\$7.71	6,000	ft ³	\$528.60
Waukesha	\$17.43	4	\$10.21	44,880	gallons	\$527.94
River Falls	\$16.50	12	\$7.04	44,880	gallons	\$513.96
Marshfield	\$18.90	12	\$4.26	6,000	ft ³	\$482.40
Green Bay	\$14.50	12	\$5.04	6,000	ft ³	\$476.40
Oshkosh	\$31.26	4	\$5.42	6,000	ft ³	\$450.24
Wisconsin Rapids	\$14.39	12	\$3.60	6,000	ft ³	\$388.68
Fond du Lac	\$37.50	4	\$3.91	6,000	ft ³	\$384.60
Stevens Point	\$35.36	4	\$3.97	6,000	ft ³	\$379.64
Holmen	\$15.50	4	\$6.60	44,880	gallons	\$358.21
West Salem	\$61.34	4	\$2.40	44,880	gallons	\$353.07
Madison	\$14.43	12	\$3.81	44,880	gallons	\$344.15
Sheboygan	\$49.00	4	\$1.70	6,000	ft ³	\$298.00
Janesville	\$43.10	4	\$2.01	6,000	ft ³	\$293.00
Beloit	\$7.30	12	\$3.42	6,000	ft ³	\$292.80
Manitowoc	\$10.77	12	\$2.68	6,000	ft ³	\$290.04
Wausau	\$20.40	4	\$3.11	6,000	ft ³	\$268.20
Sparta	\$21.00	4	\$3.07	6,000	ft ³	\$268.20
Eau Claire	\$7.01	4	\$3.81	6,000	ft ³	\$256.64
Milwaukee	\$15.84	4	\$3.18	6,000	ft ³	\$254.16
Racine	\$21.10	4	\$2.77	6,000	ft ³	\$250.60
Onalaska	\$6.50	4	\$3.65	6,000	ft ³	\$245.00
La Crescent, MN	\$60.37	4				\$241.48
Menomonie	\$18.00	4	\$2.70	6,000	ft ³	\$234.00
Appleton	\$13.60	4	\$2.73	6,000	ft ³	\$218.20
Shelby Sanitary District #2	\$50.00	4				\$200.00
Winona, MN	\$18.03	4	\$1.99	6,000	ft ³	\$191.52
La Crosse (proposed 2023)	\$15.00	4	\$2.15	6,000	ft³	\$189.00
La Crosse (proposed 2022)	\$15.00	4	\$1.90	6,000	ft³	\$174.00
La Crosse (proposed 2021)	\$15.00	4	\$1.52	6,000	ft³	\$151.20
La Crosse (adopted 2020)	\$15.00	4	\$1.52	6,000	ft³	\$151.20
Kenosha	\$2.48	12	\$1.99	6,000	ft ³	\$149.16
Average w/o La Crosse						\$326.39
Median w/o La Crosse						\$292.90

Figure 7 - Comparison of Average Annual Residential Bills with Regional and Peer Communities



SECTION FOUR – CASH FLOW FORECASTS

Cash flows were projected for the next 10 years based on the proposed rates for 2021-2023. The following criteria were used to evaluate the adequacy of cash flows with the proposed rate increases:

- Increase operating revenues to levels sufficient to cover operation and maintenance costs, debt service, and debt coverage equal to at least 10 percent of annual revenue debt service payments.
- Increase revenues to allow the Utility to obtain a \$65.0 million CWF loan in 2021 for the WWTP upgrades planned for 2021-2023 – In order to obtain CWF financing, the Utility