



**"Equal Opportunity Provider & Employer"**

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**TO:** All Village Water Utility Customers

**RE:** Public Fire Protection Charges

Hello All,

As you are well aware The State Public Utilities Commission (PSC) recently authorized an increase in water rates as a necessary action needed to make sure we could "balance the books" on providing water service to our community. A big driver of the need for the increases was the cost of the large construction project we recently completed to maintain our system and to ensure that we can reliably deliver water to everyone.

Part of the PSC's rate increase decision included allocating some additional costs to the community as a whole because of the need to build the piping system big enough to adequately supply large amounts of water for Fire Protection services through our hydrant system.

In past years the Village has been paying these costs directly through the regular budget from our General Fund. In 2021 this has been costing the Village taxpayers \$41,467 per year. The PSC rate increase Order required that for 2022 the amount of money we need to collect to pay for this Fire Protection Service should be \$90,677 per year. The Village Board decided our Village budget cannot afford to pay an additional \$49,210 out of the General Fund. Trying to pay this large amount from this fund would require drastic cuts in the other essential services we provide to our residents.

The Village Board was put in the difficult position of collecting the additional money needed to pay this charge directly from our Water Utility customers. This is the last thing the Board wanted to do, but we were left with just two bad choices regarding where to get this money.

The PSC has now approved our request to add this additional charge to the water bills. Fortunately, this charge is fairly low for the average residential customer. The charge will be \$16.47/quarter, or \$5.49/month, for these customers. The amount of the charge increases depending on the size of your water meter. See the attached Schedule of Charges for your situation. This cost will start showing up on your next water bill for the second quarter of this year.

Your understanding of the need for this increase in costs will be appreciated.

Sincerely,

Village of Pepin Board of Trustees

**RATE FILE**Sheet No. 1 of 1Schedule No. F-1Amendment No. 20**Public Service Commission of Wisconsin****Pepin Municipal Water Utility****Public Fire Protection Service**

Public fire protection service includes the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

**Municipal Charge:**

The annual charge for public fire protection service to the Village of Pepin shall be \$41,467. The utility may bill for this amount in equal installments.

**Direct Charge:**

Under the Wis. Stat. 196.03(3)(b), the municipality has chosen to have the utility bill the remaining public fire protection service charge to the retail general service customers.

**Quarterly Public Fire Protection Service Charges:**

$\frac{3}{8}$ - inch meter:	\$ 16.47	3 - inch meter:	\$ 246.00
$\frac{3}{4}$ - inch meter:	\$ 16.47	4 - inch meter:	\$ 411.00
1 - inch meter:	\$ 41.16	6 - inch meter:	\$ 822.00
1 $\frac{1}{4}$ - inch meter:	\$ 60.90	8 - inch meter:	\$ 1,317.00
1 $\frac{1}{2}$ - inch meter:	\$ 82.29	10 - inch meter:	\$ 1,974.00
2 - inch meter:	\$ 132.00	12 - inch meter:	\$ 2,634.00

Customers who are provided service under Schedules Mg-1, Ug-1, or Sg-1 shall also be subject to the charges in this schedule according to the size of their primary meter.

**Billing:** Same as Schedule Mg-1.