What is a Public Fire Protection Charge?

In December, 2011, New Auburn became one of 264 water utilities within the state that chose to convert the Public Fire Protection Charge mandated by the Public Service Commission of Wisconsin into a direct user charge.

Prior to the decision of the Village Board to convert the expense to a direct charge, the Village's general fund subsidized the cost of providing a water system with the capacity required to fight fires. As a direct charge, the Public Fire Protection Charge will be paid by all properties within the Village.

The conversion of the charge was included as part of the rate increase order issued by the PSCW in 2013.

What exactly is the Public Fire Protection Charge for?

The PFP charge recovers the cost of providing water for fighting fires and the extra capacity built into the system that is necessary to rapidly deliver a large volume of water to a fire anywhere within the municipality's water service area. These costs include a portion of the wells, pumps, storage facilities, water mains, hydrants and an estimated quantity of water used for this purpose.

Quoted from the Public Service Commission's webpage at: https://psc.wi.gov/Pages/ServiceType/Water/FirePr otection.aspx

Village of New Auburn

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> **CLERK-TREASURER** Village Hall Hours: 8:00 - 4:30 pm

PUBLIC WORKS Shop Hours: 7:00 – 3:30 pm

See the Public Service Commission of Wisconsin's website for more information: <u>http://psc.wi.gov/</u>

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PUBLIC FIRE PROTECTION CHARGE



A Revenue Requirement by the Public Service Commission of Wisconsin and Incorporated within the Water Utility Tariff for

New Auburn Utilities

Public Fire Protection Charges

The Public Fire Protection Direct Charge is part of the New Auburn Utilities water tariff established by the PSCW (Public Service Commission of Wisconsin). The Public Fire Protection Charge provides for reimbursement to the water utility for expenses required to construct and maintain a utility system with the capacity to deliver water for firefighting. WI Stat., Sec. 196.03(3)(b) permits a community with a public water system the ability to collect the charge as part of the property tax levy or as a direct user charge. The New Auburn Village Board elected to begin collecting the mandated charge as a user fee and is permitted by WI Statutes.

How has the PFP Charge been collection in the past?

The Village of New Auburn's General Fund has been paying the PSCW mandated charge to the water utility from the tax levy annually. The PSCW has established the charge as part of the utility's rate tariff.

When did the PFP Charge start?

The PSC (Public Service Commission) of Wisconsin chose to include the conversion of the fee as part of the review of a water utility rate increase application. The New Auburn's water utility had not sought an adjustment in water rates prior to 2011. The PSCW leveraged the conversion of the fee with a requirement for the utility to file a rate increase application. The finalization of the required rate study and review by the PSCW took considerably longer than anticipated. The utility implemented the Public Fire Protection Direct Charge as directed by the rate order by the PSCW.

Who determines the amount of the PFP Charge?

The PSC determines the amount of the Public Fire Protection Direct Charge. The charge will be based on the size of the water meter serving the property, and in case of a vacant property with no public water service, the fee will be based off a 5/8" rate, or smallest meter size at New Auburn Utilities. The PSC reviews and adjusts charges with water rate tariff applications filed by New Auburn Utilities.

Why convert the PFP Charge to a Direct Charge?

As a direct charge user fee, all properties within the community (taxable and tax exempt) will begin contributing to the expense of providing the capacity within the public water system necessary for fire flows. All properties within the Village will now be treated equally and will be required to contribute their share of public fire protection water utility costs.

What does the Fire Department have to do with the PFP Charge?

The PFP Charge covers the costs incurred by the utility to be able to deliver water for firefighting purposes and is <u>independent of</u> <u>any expenses that the Fire Department may</u> <u>incur</u> in order to use the delivered water to fight a fire. In other words, the PSC mandates New Auburn Utilities by Wis. Stat. §196.03(3)(b) to enforce the PFP Fee.

I have multiple meters. Will I be charged the fee for each meter?

Every general service water meter (Schedule Mg-1 & Sg-1) will receive a separate Public Fire Protection Charge. The charge will not apply to lawn or irrigation meters. If your property, dwelling, land, or business contains more than one general service meter, multiple charges will be received.

Will I be charged the PFP Charge if I am not a Utility Customer?

Yes, the charge applies to all PARCELS within the corporate limits of the Village of New Auburn regardless whether or not they are served by the Village's water utility. [Note: We are located in a high grassland fire area and grass fires need water to be put out too].

I have multiple adjoining parcels of property. Will I be charged for each parcel?

Every property parcel is identified by a tax number issued by the County Land Records Office. Each tax numbered parcel will receive the Public Fire Protection Charge as noted in the New Auburn Utilities Rate Tariff. The charge MAY be reduced by combining your adjoining parcels; however, this would incur surveying expenses from you, the land owner. Contact a surveyor for questions.