

SERVICE DATE Jan 29, 2025

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Village of Spring Valley, Pierce County, Wisconsin,
as a Water Public Utility, for Authority to Change its Method of Cost
Recovery for Providing Public Fire Protection Service

5650-PFP-101

Public Service Commission of Wisconsin
RECEIVED: 1/29/2025 3:25:00 PM**FINAL DECISION**

This is the Final Decision in the Class 1 proceeding conducted by the Public Service Commission (Commission) on the application of Spring Valley Waterworks (applicant) for approval to revise its method of cost recovery for providing public fire protection (PFP) service. This application is APPROVED, subject to conditions.

Introduction

The applicant applied to the Commission on November 19, 2024 for authority to revise its method of cost recovery for providing PFP service. ([PSC REF#: 524528.](#)) Pursuant to due notice, the Commission held an audiovisual hearing on January 22, 2025 before Administrative Law Judge Michael E. Newmark. The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. The applicant is the only party to this proceeding.

Findings of Fact

1. The applicant's presently authorized rates provide for a total PFP charge of \$189,676. This charge is comprised of an annual municipal PFP charge of \$94,838 collected through property taxes and another \$94,838 collected as a direct charge on the water bill of those water customers that reside in the Village of Spring Valley.
2. The rates set forth in Appendix B will permit the applicant to recover \$142,257 of its PFP costs through direct charges on the water bills to all the applicant's general service

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customers. The applicant will recover the remaining \$47,419 as an annual municipal PFP charge.

Conclusions of Law

1. The applicant is a municipal public utility as defined in Wis. State. § 196.01(5)(a).
2. The Commission has authority under Wis. Stat. §§ 196.02(1), 196.03(1) and (3), 196.19, 196.20, 196.22, 196.37(1), (2), and (3), 196.395, and 196.40 to authorize the applicant to revise its method of recovering PFP costs.
3. The Commission has authority under Wis. Stat. § 15.02(4) to delegate to the Administrator of the Division of Water Utility Regulation and Analysis (Division Administrator) those functions vested by law as enumerated above and has delegated the authority to issue this Order to the Division Administrator.

Opinion

At present, the applicant recovers a total PFP charge of \$189,676. This charge is comprised of an annual municipal PFP charge of \$94,838 collected through property taxes, and another \$94,838 collected through a surcharge on the water bill of those water customers that reside in the Village of Spring Valley. The applicant requested that its tariff be changed to allow \$142,257, or 75 percent of the total PFP cost, to be collected through direct PFP charges on general service customers' water bills. The remaining \$47,419, or 25 percent, will be recovered as an annual municipal PFP charge. ([PSC REF#: 524528](#).) This request is in conformance with Wis. Stat. § 196.03(3)(b), which provides municipalities the option to recover all or a portion of the PFP costs from water general service customers. On November 19, 2024, the applicant submitted its Resolution with its application authorizing this change to the Commission. ([PSC REF#: 524529](#).)

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Commission staff submitted a proposal that provides for recovering all of the applicant's PFP costs by direct billing its water general service customers based on the equivalent meters method. The summary of these rates appears in the record as Ex.-PSC-PFP Tariff Changes. ([PSC REF#: 526541](#).) Prior to the hearing, Commission staff provided the applicant with Commission staff's proposed rates for review, and the applicant had no objection to these rates.

As requested, authorized rates set forth in Appendix B, Schedule F-1, provide for PFP rates that reflect the applicant's request and are consistent with the Commission's standard methodology for calculating PFP charges based on equivalent meters. These rates are reasonable and just. All customers will be required to pay an appropriate amount for the service provided.

Public Comments

No members of the public attended or provided comments at the hearing. Eleven water customers filed a comment on the Commission's Electronic Records Filing (ERF) system in opposition to the rate increase. These customers expressed concern over the magnitude of the increase and its impact on customers. Customers also commented and expressed concern on the process for notifying customers about the rate proceeding and the public hearing. The Commission appreciates the customers' concerns. The Commission further concludes that the rates as proposed by Commission staff would provide a reasonable and nondiscriminatory recovery of the revenue requirement and PFP. Accordingly, the Commission approves Commission staff's proposed rates as shown in Ex.-PSC-PFP Tariff Changes of the hearing record.

Effective Date

The applicant bills on a quarterly basis. Pursuant to Wis. Stat. § 196.19, the changes in rates and associated tariff provisions that are authorized in this Final Decision take effect no sooner than

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one day after the date of service, provided these rates and tariff provisions are filed with the Commission and the applicant makes a copy of the new rates available to the public before this date by placing a copy of the new rates at locations where customer payments are accepted, on the applicant's website, or in a form and place that is otherwise readily accessible to the public.

Order

1. This Final Decision takes effect one day after the date of service.
2. The authorized rate changes and tariff provisions shall take effect no sooner than one day after the day the applicant has: (a) filed these rates and tariff provisions with the Commission; and (b) made them available to the public at locations where customer payments are accepted, on the applicant's website, or in a form and place that is otherwise readily accessible to the public, pursuant to Wis. Stat. § 196.19 and Wis. Admin. Code § PSC 185.33(1)(f). If a copy of the new rates and tariff provisions is not made available to the public when they are filed with the Commission, the new rates and tariff provisions shall take effect one day after the day they are made available to the public.
3. The rates approved in this docket shall take effect no later than 90 days from the service date of this Final Decision or as directed by the Commission or Commission staff.

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4. Jurisdiction is retained.

Dated at Madison, Wisconsin, this 29th day of January, 2025.

For the Commission:

A handwritten signature in black ink, appearing to read 'A.P. Galvin', with a long horizontal flourish extending to the right.

Andrew P. Galvin

Administrator

Division of Water Utility Regulation and Analysis

APG:AJH:rgs:eal DL:02051323

Attachments: Notice of Appeal Rights
Appendices A and B

PUBLIC SERVICE COMMISSION OF WISCONSIN
4822 Madison Yards Way
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Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

¹ See *Currier v. Wisconsin Dep't of Revenue*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

CONTACT LIST FOR SERVICE BY PARTIES

PUBLIC SERVICE COMMISSION OF WISCONSIN

(Not a party but must be served per Wis. Stat. § 227.53)

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SPRING VALLEY WATERWORKS

LUANN EMERSON

P.O. BOX 276

SPRING VALLEY, WI 54767

CLERK@VI.SPRINGVALLEY.WI.GOV

Spring Valley Waterworks

Water Rate File Changes

Amended

F-1

Public Service Commission of Wisconsin

Spring Valley Waterworks

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 Spring Valley shall be \$47,419. 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:

5/8 - inch meter:	\$ 54.90	3 - inch meter:	\$ 819.00
3/4 - inch meter:	\$ 54.90	4 - inch meter:	\$ 1,362.00
1 - inch meter:	\$ 136.35	6 - inch meter:	\$ 2,640.00
1 1/4 - inch meter:	\$ 202.80	8 - inch meter:	\$ 4,218.00
1 1/2 - inch meter:	\$ 272.40	10 - inch meter:	\$ 6,318.00
2 - inch meter:	\$ 438.15	12 - inch meter:	\$ 8,430.00

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. Customers who are provided service under Schedule Am-1 are exempt from these charges for any additional meters.

Billing: Same as Schedule Mg-1.