

TOWN OF HIGH PRAIRIE

Policy Number 67 - 2014	Approval Date May 14, 2014	Resolution Number 338/14
Supersedes	Effective Date May 14, 2014	Legal Authority
Amendments:	Amendment Date	Amendment Resolution Number

TITLE: Utilities Pricing Policy
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PURPOSE

The purpose of this policy is to set a framework for the pricing of utility services and the communication of price changes.

SCOPE

This policy applies to the following utilities: water, sewer, solid waste (including recycling) and natural gas.

CONCEPT

Utility services should be priced on a break even basis using the budgeted income statement approach (which includes amortization of capital costs).

ADVERTISING

Utility pricing changes should be communicated to the public at least 90 days prior to the effective date of such increase. Communication, at a minimum, will be on the town's website in conjunction with a note on the monthly utility billing statement. This requirement shall not apply to changes in natural gas pricing due to supplier cost changes (this presently occurs on a monthly basis without giving advance notice to ratepayers).

PRICING REVIEW

Utility pricing should be reviewed annually with any price changes to become effective at the start of the New Year unless otherwise directed by Council. This will require a bylaw to be passed no later than September to allow for the 90 day notice period. Pricing should be set to generate sufficient revenues to offset the budgeted costs of the utility service in the forthcoming year. A utilities department budget that shows a surplus of 10% or less of budgeted expenses will not require a review of its pricing. A utility department that shows a budgeted deficit will require a pricing review.

ANNUAL SURPLUSES AND DEFICITS

Utility department surpluses and deficits for the year shall be included in the net surplus or deficit for the year and transferred to the unrestricted surplus account upon year end close.

AUTHORIZATION

All utility pricing changes are required to be authorized by by-law.

HISTORY

The base bylaw that authorizes the current utility pricing structure is Bylaw 9/2005. Changes to utility prices have been authorized by a series of amending bylaws (bylaws 16/2007, 20/2008, 4/2010, 9/2011).

Approved by Council:

May 14, 2014

Date