

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3672
August 11, 1992

R E S O L U T I O N

(RES. W-3672), CALIFORNIA WATER SERVICE COMPANY - SALINAS DISTRICT (CWS) - ORDER AUTHORIZING A DEVIATION FROM THE FIRE FLOW REQUIREMENTS OF GENERAL ORDER NO. 103, THE ADVANCEMENT OF COST PROVISIONS OF TARIFF RULE NO. 15, AND THE INITIATION OF AN ORDER INSTITUTING RULEMAKING (OIR).

BY ADVICE LETTER NO. 1256 FILED ON JULY 15, 1992.

SUMMARY

This resolution grants CWS authority, in connection with the Loma Vista townhomes project, to deviate from the fire flow requirements set forth in Section VIII.1(a) of General Order No. 103 - Standards for Design and Construction; and to deviate from the requirements of Section D-1. of tariff Rule No. 15 - Main Extensions (Rule 15), regarding the advancement, by applicant, of the cost of distribution mains designed to meet fire flow requirements. It also directs the Water Utilities Branch (Branch) to initiate OIR concerning the Commission's fire flow requirements and the fire flow requirements of local fire protection agencies or other prevailing local governmental agency, and the Commission's rate setting policy and practices associated with fire protection service provided by water utilities regulated by the Commission.

BACKGROUND

The Housing Authority of Monterey County (Housing Authority) has requested that CWS provide service to the Loma Vista townhomes project (9 units) located on Overpass Road in the Los Lomas Division of CWS's Salinas District. The fire flow requirement of Commission General Order No. 103 (GO 103) for this housing density is 2,000 gallons-per-minute (gpm). CWS estimates the available fire flow capability from its existing facilities at the site to be 500 gpm. The estimated cost of additional facilities to provide 2,000 gpm to the project site is \$600,000, not including taxes. The Housing Authority has advised CWS that the added cost to provide fire flow at GO 103 standards would cause a financial hardship.

The North Monterey County Fire Protection District (Fire District) has formally indicated that it will accept the existing fire flow capability. This acceptance was accommodated by the Fire District's requirement that fire suppression sprinklers and smoke detectors be installed in the townhomes. Additionally, distribution main improvements planned by CWS for 1993 will increase its fire flow capability to 1,000 gpm. Consequently, the Housing Authority requested that CWS seek Commission authority to deviate from GO 103 requirements.

CWS made its request for approval to deviate from GO 103 fire flow requirements and Rule 15 in connection with the Loma Vista townhome project by

Advice Letter No. (AL) 1243, filed May 18, 1992. AL 1243 was rejected by the Water Utilities Branch (Branch) because the deviation requested was considered to be neither temporary in nature nor of minor importance; requirements of Section I.11. of GO 103. Also, that the deviation would result in noncompliance with the Commission's recent Decision (D.) 91-04-068 which revised the Fire Flow requirements of GO 103 in such a manner as to withdraw authority that had been delegated to local fire jurisdictions.

CWS was advised by Branch that should it wish to pursue the requested deviation, a formal application to the Commission would be necessary. The rejection of AL 1243 was appealed to a higher management level and the decision was made that the Branch would support the requested deviation, and that it could be handled under the Commission's advice letter procedures of Commission's General Order 96-A. CWS by AL 1256, filed July 15, 1992, resubmitted its request to deviate from GO 103 fire flow requirements and advancement of cost provisions of Rule 15.

DISCUSSION

We note that prior to D.91-04-068, Section VIII.1. of GO 103 stated that the flow standards for fire protection purposes set forth therein were considered by the Commission as appropriate for application on an average statewide basis. Further, that there are widely varying conditions bearing on fire protection throughout the urban, suburban and rural areas of the state. It therefore provided that the standards prescribed by local fire protection agencies or other prevailing local governmental agency would govern, whether greater or lesser than those set forth by the Commission.

D.91-04-068 resulted from Rulemaking proceeding R.90-07-004 in which the Commission investigated the need to revise GO 103, Water Tariff Rule No. 15 - Main Extensions, and Water Tariff Rule No. 16 - Service Connections, Meters, and Customer's Facilities, in order to allow utilities authority to pass certain costs for facilities to serve new customers on to those customers. In summary, the Commission authorized service connection fees, facilities fees, and it increased the subsequent reimbursement requirement for costs related to main extensions serving individuals. Other changes, classified as "editing and updating revisions to reflect current materials and construction practices" were also ordered in D.91-04-068. Included in this group was a change in fire flow requirements of the above mentioned Section VIII.1. of GO 103. Specific changes ordered by the Commission to GO 103 and Tariff Rules 15 and 16 were set forth in Appendices A and B to D.91-04-068.

The editing and updating revisions of GO 103 and Tariff Rules 15 and 16 came into the Rulemaking proceeding as a result of proposed changes by certain utilities. The Branch opposed including such editing and revision in the Rulemaking proceeding and recommended that such changes be deferred to a later proceeding. This recommendation was based on its belief that the proposed changes were significant in nature, and adequate notification had not been given the public that would potentially be affected by the proposed changes. An interim decision directed, among other things, that the Branch include these proposed changes in subsequent industry/Branch workshops. There was limited interest shown in these matters in the workshops. No parties other than the Branch and a small number of the regulated utilities participated in the workshops. D.91-04-068 adopted certain of the proposed changes and denied others.

The Branch now believes that the deviation sought by CWS in Advice Letter 1256 should be approved. It also believes that this request and associated circumstances suggest that the matter of flow standards for public fire protection purposes in connection with initial construction, extension, or modification of a water system as set forth in GO 103 should be revisited. Further, sufficient change has occurred in fire suppression methods, most notably the widespread use of automatic sprinkling systems, that the Commission should investigate the effect of these changes upon the fire flow standards set forth in GO 103, and the associated rate setting policy and practices of the Commission. The Commission agrees.

The Commission's Rule 15 at Section D.1. requires that the cost of distribution mains designed to meet the fire flow requirements set forth in GO 103 be advanced by the applicant and then refunded by the utility as provided elsewhere in Rule 15. Commission approval of the requested deviation from fire flow requirements would necessarily include deviation from Section D.1.

FINDINGS AND CONCLUSIONS

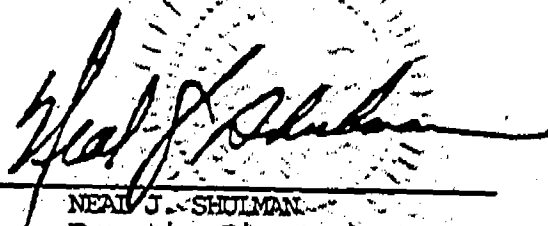
1. CWS's Advice Letter No. 1256 requesting deviation from the fire flow requirements for distribution mains as set forth in Commission GO 103, Section VIII. 1(a), and the related cost advance requirements set forth in Rule 15, Section D.1 should be approved.
2. Branch's recommendation that the Commission revisit the matter of revisions to the provisions of GO 103, in particular those concerning fire flow standards prescribed by the local fire protection agency or other prevailing local governmental agency and the effect of current fire suppression methods on fire flow requirements, should be approved.
3. Branch's recommendation that the Commission's rate setting policy and practices be reviewed in so far as they relate to current fire suppression practices, particularly the use of sprinkler systems, should be approved.

IT IS ORDERED that:

1. California Water Service Company is granted authority in its Salinas District to deviate from the provisions of Section VIII.1(a) of Commission General Order No. 103 regarding fire flow requirements, and Section D.1 of Commission Tariff Rule No. 15 regarding the advancement of cost for distribution main extensions designed to include fire protection capacity, in providing service to the Lama Vista Townhomes project.
2. The Commission's Water Utilities Branch is directed to prepare an Order Instituting Rulemaking concerning the fire protection standards set forth in Section VIII of General Order No. 103. It is the intent of the Commission that the proceeding be focused on reevaluating the revisions that were made to Section VIII by D.91-04-068, changes that current fire suppression practices allow or require, and the Commission's policy and practices in setting rates in connection with fire protection services provided by water utilities regulated by the Commission.

3. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on August 11, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.