

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to Revise
General Order 103.

Rulemaking 07-12-015
(Filed December 20, 2007)

**ADMINISTRATIVE LAW JUDGE'S RULING INVITING COMMENTS ON THE
DIVISION OF WATER AND AUDITS' GENERAL ORDER 103 WORKING
GROUP REPORT AND ADDITIONAL ISSUES**

On December 20, 2007, the Commission adopted the above-captioned proceeding in order to "revise and update General Order (GO) 103, *Rules Governing Water Service Including Minimum Standards for Design and Construction.*" As noted in the Order Instituting Rulemaking (OIR), GO 103 sets forth the Commission's rules controlling water and sewer service and the minimum standards for design and construction of the systems. It applies to all water and sewer system utilities operating under the jurisdiction of the Commission.

From February through August 2008, the respondents and interested parties worked collaboratively to analyze and modify the proposed revisions to GO 103. In February 2008, pursuant to the OIR, the Water and Audits Division staff conducted a workshop in order to "coordinate the evaluation process of the proposed GO 103 changes." At the workshop, the participants agreed to form five working groups (WGs)¹ that would focus on segmented issue areas of the

¹ The WGs divided responsibility for the analysis of the General Order as follows:
1) WG1-Sections I (Definitions only), II (Standards of Service: Water Supply

Footnote continued on next page

OIR, analyze them, and submit consensus recommendations to the Commission. The WGs met from March through June 2008, and created a working draft of their combined recommended GO 103 revisions. On June 24, 2008 and June 26, 2008, the Water and Audits Division staff held a workshop so that WG participants could collectively review the draft report and determine whether a consensus could be reached on several outstanding issues. While the participants reached agreement on some issues, on other issues the participants expressed conflicting views.

On September 12, 2008, the Water and Audits Division staff submitted for consideration the final WG Report² which contained the WG's recommended changes to GO 103 that came out of the WG evaluation process.³ By this ruling, the September 12 WG Report and attachments become a part of the record of this proceeding. While the Water and Audits Division staff has received a number of informal comments on the GO 103 WG Report,⁴ respondents and interested parties are requested herein to again review the appended final WG Report, address the issues set forth below, and either supplement and/or revise the

Requirements and Quantity of Water), III (Standards of Design and Construction), and IV (Fire Protection Standards); 2) WG2-Sections I (Definitions only) and II (Standards of Service: Water Quality, Testing of Water; 3) WG3-Sections I (Definitions only), IV (Measurement of Service), and VII (Operation and Maintenance); 4) WG 4-Sections I (All), V (Rates and Billing), and VII (Customer Relations - Performance Standards); and 5) WG5-(GO 103 sewer standards).

² Attached as Appendix A.

³ Appended as Attachment 1, revisions to the GO 103 are shown in italicized font.

⁴ On August 8, 2008, Division of Water and Audits issued for review and informal comment to the Rulemaking and WG service list a draft of the GO 103 WG Report and revised GO 103. Comments were submitted on August 22, 2008.

comments already submitted to staff, and file their comments no later than February 10, 2009.

Additional Issues for Comment

Service Pressure

The Operations and Maintenance section, Section VII, paragraph 6⁵ of the Draft GO 103, continues the service pressure requirement of not less than 40 pounds-force per square inch gauge (psig), nor more than 125 psig at the service connection. Respondents and interested parties are asked to consider and comment upon the following questions:

1. Should utilities continue to “grandfather” low pressure (less than 40 psig) service as they do fire flow?
2. If utilities no longer “grandfather” low pressure service, how should water utilities go about improving the low pressure areas to 40 psig?
3. How would your answer change if the cost to improve the pressure was:
 - a. Less than 1% of rate base?
 - b. Less than 5% of rate base?
 - c. More than 5% of rate base?
4. Should there be a maximum threshold in cost per customer to meet water pressure standards?
5. Under GO 103, Section I(1)(a), the replacement or abandonment of facilities is not required prior to economic utilization of facilities. However, this standard was established in 1956, and most economic utilization would

⁵ Entitled “Pressures.”

have been exhausted by now. Therefore, should utilities simply improve any remaining systems in areas with low water pressure?

Reporting Standards

In Draft GO 103, Section VIII, the Customer Service and Reporting Standards for Water and Wastewater Service Utilities, Paragraph G(6)⁶ states:

*"The Utility shall keep a record of each complaint, categorized by the nature of the complaint, that shows the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition, for a period lasting from the time the complaint is filed with the Utility until issuance of the principal decision in its next general rate case."*⁷

As currently drafted, this provision does not provide a means to independently verify that complaint records have been retained "from the time the complaint is filed... until issuance of the... decision in [the] next general rate case," because there is not a requirement that the utility record the disposition date. However, recording the disposition date would enable the Commission to ascertain how long the utility takes to close a complaint. Information regarding the period of time it takes the utilities to resolve a complaint is useful and as significant as record retention. In proceedings where public comments enumerate multiple complaints and the length of time taken to resolve them, the Commission has found that the associated records lack data detailing company responsiveness.

⁶ Entitled "Customer and Regulatory Complaint Performance Standards."

⁷ The italicized text represents revised language set forth in the September 2008 Draft GO 103. The bold text represents proposed amended language.

To remedy the past oversight of collecting such data, the following amendment to the draft language would provide specificity to the company's records and to the Commission:

*"The Utility shall keep a record of each complaint, categorized by the nature of the complaint, that shows the name and address of the complainant, the date and nature of the complaint, and **the nature and date of** the adjustment or disposition, for a period lasting from the time the complaint is filed with the Utility until issuance of the principal decision in its next general rate case."*

Respondents and interested parties should also comment upon this amendment to Draft GO 103, Section VIII.G(6).

IT IS RULED that:

1. The September 12, 2008 Division of Water and Audits' General Order (GO) 103 Working Group Report and Attachments 1 through 4 (the Draft GO 103, the proposed Customer Service and Reporting Standards, the Attendance lists for the Working Group Meetings, and the GO 103 March 18, 2008 Working Group Report) are received into the formal record.

2. Respondents and interested parties shall file comments on the GO 103 Working Group Report, the Draft GO 103, the Customer Service and Reporting Standards proposal, and the several issues for consideration set forth in this ruling no later than February 11, 2009.

Dated January 21, 2009, at San Francisco, California.

/s/ JACQUELINE A. REED

Jacqueline A. Reed
Administrative Law Judge

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated January 21, 2009, at San Francisco, California.

/s/ OYIN MILON

Oyin Milon

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Last Updated on 21-JAN-2009 by: JVG
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