



Fire Suppression Revenue

How it's calculated

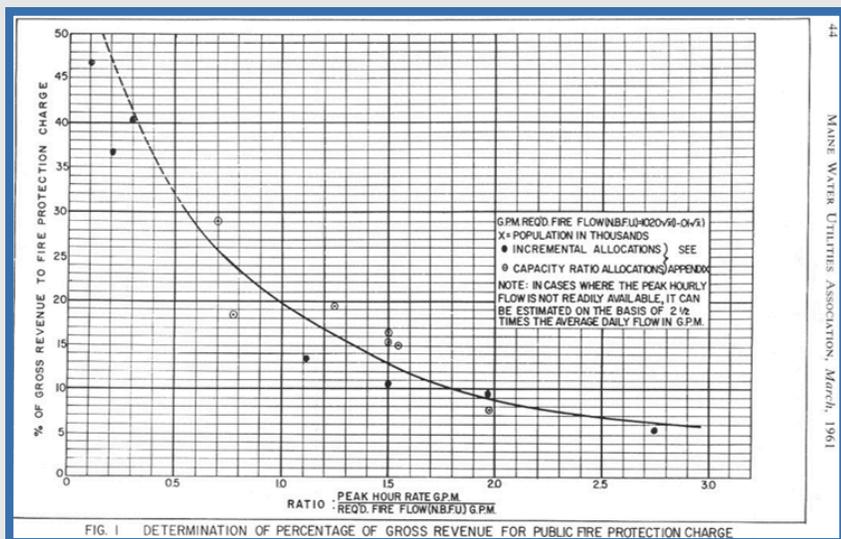
There are two options to determine the amount of gross revenues that water utilities may and must collect from public fire suppression charges. The most commonly used method is the standard allocation, which is an estimate using decades-old, industry accepted standards. The other option is a full allocation study of the actual cost of providing water for fire suppression.

Standard Allocation

Requires water utilities to know and use the following information to be used on the fire protection curve.:

- Peak flow
- Required fire flow
- Population which is based on # of meters x 2.5 (not census population)

State rules set a minimum and maximum allocation. The minimum is 6% of the utilities revenue requirement and the maximum is 30%. Utilities do not get to choose the amount, it is determined by the curve.



Full Allocation

- Requires the utilities to prepare and present a study showing the actual cost of fire suppression for the utility.
- This can be expensive but allows water utilities to very accurately determine proper rates for fire suppression needs.
- The PUC may require this if a different allocation factor is required such as in cases with inadequate flow



See Chapter 69 of the Maine PUC rules for more information.

This flyer is intended for informational purposes only. This information is not legal advice and does not set any legal standard. Regulated public utilities must comply with Maine law and regulations and should consult with legal counsel for interpretation of laws and regulations.