

ORIGINAL



0000081416

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

14LF

COMMISSIONERS

MIKE GLEASON, CHAIRMAN
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

2008 FEB -1 P 3:04
AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

FEB -1 2008

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WATER DISTRICT

DOCKET NO. W-01303A-07-0209

NOTICE OF FILING TOWN OF YOUNGTOWN LATE-FILED EXHIBITS Y-6 AND Y-7

The Town of Youngtown hereby gives notice of the filing of its Late-Filed Exhibits Y-6 (re: fire losses) and Y-7 (re: fire sprinkler system costs). This information is submitted pursuant to the requests of Commissioners Pierce and Mayes, respectively.

At Commissioner Pierce's request the Sun City Fire Department searched its records and secured loss data for the period from January 1, 2005 to present.¹ The results of that search are summarized in the e-mail from Deputy Fire Marshall Kenneth Rice attached hereto as Youngtown Late-Filed Exhibit Y-6. During the three (3) year period, the Sun City Fire District responded to 156 fire related calls in Phase 1 Sun City and Youngtown.² Only forty-one (41) of the response reports included dollar loss figures, but they totaled

¹ This required a labor intensive year by year review of Department's records. This three year period is all that the District was able to review in the time available.

² This number does not necessarily reflect all calls within Sun City Phase 1 and Youngtown. The Sun City Fire District participates in the automatic aid system and does not necessarily respond to all fires within Sun City Phase 1 and Youngtown.

1 \$1,198,000.00. As noted by Deputy Fire Marshall Kenneth Rice, response reports often do
2 not include loss figures because such information is not known by the crews on scene or at
3 the time the report is entered at the Firehouse.

4 At Commissioner Mayes' request the Town of Youngtown has sought
5 information relating to the cost of sprinkler systems. The Town was directed to the website
6 of the National Fire Sprinkler Association (NFSA) whose mission statement provides: "To
7 protect lives and property from fire through the wide-spread acceptance of the fire sprinkler
8 concept."

9 Attached as Youngtown Late-Filed Exhibit Y-7 is an excerpt from the NFSA's
10 "Fire Sprinkler Facts" listing the per foot add-on cost for fire sprinklers as follows:

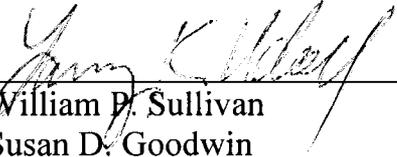
- 11 • Building Officials and Code Administrators: 93¢ to \$2.00/sq. ft.
- 12 • International Conference of Building Officials: \$1.50/sq. ft.
- 13 • Southern Building Code Congress: \$1.50/sq. ft.

14 Also attached as part of Youngtown Late-Filed Exhibit Y-7 are pages 1-9 and
15 1-10 from the Residential Fire Sprinklers . . . A Step-By-Step Approach For Communities
16 (NFSA 2003), illustrating the estimated cost of installing fire sprinkler systems in a tract
17 home and a luxury home, as compared to other costs of the home. It also references an
18 average cost of \$1.98 per square foot to install fire sprinklers in single-family homes
19 undergoing rehabilitation (per a 1990 study by the National Association of Home Builder
20 Research Center for the U.S. Fire Administration).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DATED this 1st day of February, 2008.

CURTIS, GOODWIN, SULLIVAN,
UDALL & SCHWAB, P.L.C.

By: 
William D. Sullivan
Susan D. Goodwin
Larry K. Udall
501 East Thomas Road
Phoenix, Arizona 85012-3205
Attorneys for Town of Youngtown

1 **PROOF OF AND CERTIFICATE OF MAILING**

2 I hereby certify that on this 18th day of February, 2008, I caused the foregoing
3 document to be served on the Arizona Corporation Commission by delivering the original and thirteen
4 (13) copies of the above to:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007

7 COPY of the foregoing hand delivered/mailed
8 this 18th day of February, 2008 to:

8 Christopher Kempley, Chief Counsel
9 Robin Mitchell, Counsel
10 Legal Division
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, Arizona 85007

12 Ernest Johnson, Director
13 Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007

15 Scott Wakefield, Chief Counsel
16 Daniel Pozefsky, Counsel
17 Residential Utility Consumer Office
18 1110 West Washington Street
19 Phoenix, Arizona 85007

18 Craig A. Marks, Esq.
19 Craig A. Marks, PLC
20 3420 East Shea Blvd., Suite 200
21 Phoenix, Arizona 85028

22 Paul M. Li, Esq.
23 Arizona-American Water Company
24 19820 North Seventh Street, Suite 201
25 Phoenix, Arizona 85024

22 William Downey
23 11202 West Pueblo Court
24 Sun City, Arizona 85373

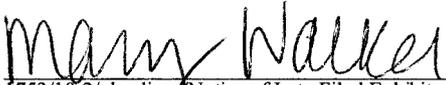
25 
1753/10-2/pleadings/Notice of Late-Filed Exhibits Y-6_Y-7

EXHIBIT Y-6

William Sullivan

From: Rice, Kenneth [KRice@suncityfire.com]
Sent: Thursday, January 31, 2008 3:06 PM
To: William Sullivan; youngtownazmayor@levault.net
Cc: Morrow, Steve
Subject: Fire Stats

Hi Bill, I have done some research, and found that from 01/2005 - current we have responded to 156 fire related calls in Phase 1 Sun City and Youngtown. Only 41 of the responses had dollar loss amounts attached to them due to not so thorough reporting. Typically this is due to our crews not having knowledge of the total dollar loss at the scene or at the time the report was entered into Firehouse. The dollar amounts entered for the 41 entries total \$1,198,050.00 I hope this information is helpful and what you requested. If I can be of any further assistance please let me know.

Ken Rice
Deputy Fire Marshal
Sun City Fire Department
18602 N 99th Ave
Sun City, AZ 85373
(623) 974-2321 office
(602) 309-0462 cell
(623) 972-1996 fax

1/31/2008

EXHIBIT Y-7

Excerpt from
NATIONAL FIRE SPRINKLER ASSOCIATION, INC.

Fire Sprinkler Facts

(<http://www.nfsa.org/index2.htm>)

Ø How much does a new sprinkler system cost?

The cost of a complete sprinkler system depends on many factors, such as the building type and construction, availability of public water supply, and degree of hazard of the occupancy. For new construction, systems usually cost from \$1.00 to \$1.50 per square foot, less than the cost of carpeting.

The major model code organizations, in releasing average costs of sprinkler systems for building permit purposes, listed the following add-on costs for new construction in 1990:

Ø Building Officials and Code Administrators: 93¢ to \$2.00/sq. ft.

Ø International Conference of Building Officials: \$1.50/sq. ft.

Ø Southern Building Code Congress: \$1.50/sq. ft.

Ø How much does retrofit cost?

Retrofit installations in existing buildings can be expected to cost somewhat more than for new construction, depending on the difficulty of installation and other factors. A general rule of thumb is to add 50%.

RESIDENTIAL FIRE SPRINKLERS... A STEP-BY-STEP APPROACH FOR COMMUNITIES

BOOKLET 1

Planning and Research



© 2003, National Fire Sprinkler Association, Inc.
40 Jon Barrett Road, PO Box 1000, Patterson, New York, 12563
Tel 1-845-878-4200 Fax 1-845-878-4215 Website www.nfsa.org

Ten-Year History of Responses (continued):**What Are the Installation Costs for a Residential Fire Sprinkler System?**

Several years ago, frustrated by myths raised to discourage the local AHJ's from adopting residential ordinances in California, a fire marshal performed an analysis of construction costs related to residential fire sprinkler protection and the cost of "affordable housing". Two scenarios were developed, both of which showed that the cost of fire sprinklers was less than one percent of the total cost of the home.

Tract Home (including Modular/Manufactured):

Item	Cost	Percentage (%)
Construction (1,152 sq ft x \$37.00 psf)	\$ 42,600	28%
Developer Profit	\$ 39,798	27%
Lot	\$ 35,000	23%
Realtor Fee	\$ 9,000	6%
Financial	\$ 7,000	5%
<i>(Loan Points/Interest/Taxes – 14%)</i>		
Permit Fees	\$ 14,912	10%
• Muni:	\$ 7,436	
• School:	\$ 1,981	
• Sanitation:	\$ 5,495	
Fire Protection	\$ 1,690	1%
• Fire Sprinklers:	\$ 1,600	
• Smoke Detectors:	\$ 90	
Sales Price:	\$150,000	

Ten-Year History of Responses (continued):**Luxury/Custom Home:**

Item	Cost	Percentage (%)
Construction (3,064 sq ft x \$63.00 psf)		\$ 193,032 48%
Developer Profit		\$ 60,011 15%
Lot		\$ 80,000 20%
Realtor Fee		\$ 24,000 6%
Financial (Loan Points/Interest/Taxes – 14%)		\$ 20,000 5%
Permit Fees		\$ 19,343 5%
• Muni:		\$ 8,578
• School: \$ 5,270		
• Sanitation: \$ 5,495		
Fire Protection		\$ 3,614 1%
• Fire Sprinklers: \$ 3,524		
• Smoke Detectors: \$ 90		
Sales Price:		\$400,000

A study completed in 1990 by the National Association of Home Builders Research Center for the U.S. Fire Administration found that fire sprinklers could be installed in single-family homes undergoing rehabilitation for an average cost of \$1.98 per square foot.

The City of Scottsdale, Arizona, which has had a comprehensive sprinkler ordinance in place since 1985 for single family dwellings, reported in 1997 that the average cost of system installation had been reduced from \$1.14 per square foot in 1987 to \$0.59 per square foot in 1997 as new technology combined with the development of an efficient local industry and labor force to address the demand.

***What about Fire Department Staffing Levels
(minimum staffing levels) and Response Times?***

During the Planning and Research phase for a residential sprinkler ordinance you must be aware of the role and operations associated with the fire suppression side of your agency. You will need to define staffing levels for the department, and relate that to the latest firefighter safety philosophy of "two in / two out" and how that affects your ability to perform as a fire agency.