

ORIGINAL



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MEMORANDUM

RECEIVED

TO: Docket Control

FROM: Steven M. Olea  
Director  
Utilities Division

2015 APR 24 AM 10:02

DOCKET CONTROL

Date: April 24, 2015

RE: **STAFF REPORT** – IN THE MATTER OF THE APPLICATION OF ORANGE GROVE WATER COMPANY FOR APPROVAL OF THE SALE OF ASSETS AND CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY (DOCKET NO. W-02237A-15-0008)

Attached is the Staff Report for the sale of Orange Grove Water Company to the City of Somerton and cancellation of its Certificate of Convenience and Necessity. Staff recommends approval of this application with conditions.

SMO:VW:red\BES

Originator: Vicki Wallace

Arizona Corporation Commission

DOCKETED

APR 24 2015

DOCKETED BY	RC
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Service List For: Orange Grove Water Company  
Docket No. W-02237A-15-0008

Mr. Steve Wene  
1850 North Central Avenue, Suite 1100  
Phoenix, Arizona 85004

COASH & COASH  
1802 North 7<sup>th</sup> Street  
Phoenix, Arizona 85006

Mr. Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
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Chief Counsel, Legal Division  
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1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief Administrative Law Judge, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

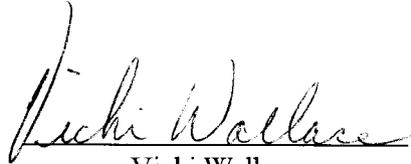
ORANGE GROVE WATER COMPANY  
DOCKET NO. W-02237A-15-0008

SALE OF ASSETS OF ORANGE GROVE WATER COMPANY TO  
THE CITY OF SOMERTON AND CANCELLATION OF CERTIFICATE OF  
CONVENIENCE AND NECESSITY

APRIL 24, 2015

## STAFF ACKNOWLEDGMENT

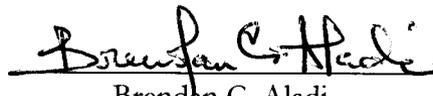
The Staff Report for Orange Grove Water Company, Docket No. W-02237A-15-0008 was prepared by the Staff members shown below. Vicki Wallace was responsible for the review and analyses of the overall application; Frank Smaila was responsible for the engineering and technical analysis; and Brendan Aladi was responsible for the financial analysis.



Vicki Wallace  
Executive Consultant



Frank M. Smaila  
Utilities Engineer



Brendan C. Aladi  
Public Utilities Analyst

**EXECUTIVE SUMMARY  
ORANGE GROVE WATER COMPANY  
DOCKET NO. W-02237A-15-0008**

On January 14, 2015, Orange Grove Water Company ("Orange Grove" or "Company") filed an application with the Arizona Corporation Commission ("Commission" or "ACC") for approval of the sale of the Company's water system assets to the City of Somerton ("City") and for the cancellation of its Certificate of Convenience and Necessity ("CC&N") to provide water service.

Recently, the City offered to purchase the Company, and the Company accepted the offer. The Company executed an Asset Purchase Agreement ("Purchase Agreement" or "Agreement") with the City on July 16, 2014.

The City has extensive experience owning and operating a municipal water utility and has, as indicated above, executed a Purchase Agreement with Orange Grove for the acquisition. No adverse impacts to customers are anticipated, and the City intends to upgrade the water system resulting in improved water service to customers.

The City has agreed to assume all existing customer accounts, and there are currently no customer deposits or mainline extensions due.

Staff concludes that:

- The City has adequate financial, technical and managerial skills to effectively integrate the Company's CC&N into its existing utility.
- The proposed sale of assets and CC&N cancellation will not have an adverse effect on the Company's customers or water service and is in the public interest. The City plans on upgrading the water system resulting in improved water service to customers.
- The Company's system is currently in compliance with ACC, ADEQ and ADWR regulations. The City's system is also in compliance with ADEQ and ADWR regulations.

Staff recommends approval of the sale of the assets of Orange Grove to the City and that the Commission cancels the CC&N of Orange Grove with the following conditions:

1. That Orange Grove files documentation of finalization of the sale of the Company to the City with the Commission in this docket within 30 days of such finalization.
2. That Orange Grove apply funds from the sale to retire the outstanding Water Infrastructure Finance Authority of Arizona loan.

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## **INTRODUCTION**

On January 14, 2015, Orange Grove Water Company ("OGWC", "Orange Grove", or "Company") filed an application for approval of the Arizona Corporation Commission ("ACC") to sell its assets to the City of Somerton ("City" or "Somerton") and for cancellation of its Certificate of Convenience and Necessity ("CC&N").

After receiving required information, Staff issued a Sufficiency Letter on March 24, 2015, which indicated the Company had met the minimum sufficiency requirements as outlined in the updated Arizona Administrative Code ("A.A.C.") R14-2-402.D. A Procedural Order was issued on March 25, 2015, setting a hearing for May 20, 2015.

## **BACKGROUND**

Orange Grove is an Arizona corporation authorized to provide water utility service in Somerton, in Yuma County, pursuant to a CC&N granted by the ACC in Decision No. 43621 issued August 30, 1973. The CC&N area was extended in Decision No. 54050 issued May 24, 1984. The town of Somerton, Arizona, is located approximately seven miles south of Yuma in Yuma County, Arizona. Staff's legal description and map of the service area are attached as Exhibit 1.

Orange Grove provides water utility service to approximately 312 meter connections in Somerton. Current rates were set by Decision No. 72734 issued January 6, 2012.

In its instant application, Orange Grove indicates that the City offered to purchase the Company, and the Company accepted the offer. The stated purpose of the sale is "to enable the community to benefit from economies of scale and the water provider receiving the benefits of being a municipal corporation. Those benefits include opportunities to receive grants and subsidized loans, tax benefits, and lower market costs for professional service." The Company has indicated that the proposed transaction will not have any adverse effect on any other utility.

An Asset Purchase Agreement between Orange Grove and the City was executed on July 16, 2014, and was filed in the Docket with the original application.

## **ASSET PURCHASE AGREEMENT**

The Asset Purchase Agreement ("Agreement") referenced above contains the following main provisions, terms and conditions:

1. The total price for the purchase and sale is \$550,000. The Agreement requires the City to deposit \$5,000 as an "Earnest Deposit" with the Escrow Agent. The Earnest Deposit will be credited toward the City's payment to the Company of the purchase price upon closing.
2. The closing of the sale will be conditioned upon the Company obtaining regulatory approval from the ACC and the City's receipt of a grant.

3. There will be no assumed liabilities associated with the purchased assets.

Although Orange Grove has an outstanding Water Infrastructure Finance Authority of Arizona ("WIFA") loan, it is Staff's understanding the Company will use the sales proceeds to retire the WIFA loan. Additionally, the City filed a loan application with WIFA for the purchase of the Company, and the loan application is ranked and ready to proceed.

Orange Grove maintains it is not currently holding any customer security deposits, and there are no refunds due on mainline extensions.

### **ORANGE GROVE'S WATER SYSTEM**

Orange Grove's water system consists of two wells, one pressure tank, 10 fire hydrants, and a distribution system serving approximately 312 metered service connections. The Company's CC&N area includes approximately 90 acres. The Company currently supplies water to Orange Grove and Rancho Mesa subdivisions. The water system has adequate well production, but according to Staff's calculations, the water system is lacking adequate storage capacity to service existing customers and reasonable growth. The Company indicates that septic tanks are currently utilized for wastewater within the Orange Grove area, but the City is conducting a feasibility study to determine if providing wastewater service in the Orange Grove area is feasible. See Engineering Report, Exhibit 2, for further water system and mapping information.

### **THE CITY OF SOMERTON**

The City has been providing municipal water service since 1920 and owns and operates a municipal water system approximately 1.5 mile west and north of the Company. Thus, the City has extensive experience owning and operating a municipal water utility. The City proposes to purchase the Company's assets and take over management so the necessary upgrades can be made. The City has approximately 3,263 service connections and serves approximately 14,500 customers. The City has adequate financial, technical and managerial skills to effectively integrate the Company's CC&N customers into its existing utility. See Engineering Report, Exhibit 2, for further details about the City and its plan for the Orange Grove CC&N area.

### **RATES AND CUSTOMER SERVICE**

The current rates set for Orange Grove include a minimum monthly usage charge of \$12.15 for a 5/8" x 3/4" meter and a minimum commodity charge of \$2.00 for up to 3,000 gallons; \$2.75 for 3,000 to 8,000; and \$3.31 for all gallons in excess of 8,000.

The Company indicates the rates for Orange Grove customers will not change, and all customers in the Orange Grove CC&N will be included in the City's service area. No adverse impacts to customers are anticipated.

The Consumer Services database indicates that no complaints have been filed with the ACC for the last three years, and no comments to the proposed application have been received. The

Company's rates and the City's current rates are referred in the attached Financial and Regulatory Analysis Report, Attachment 3.

## **COMPLIANCE**

There are currently no delinquent ACC compliance items for Orange Grove. The Arizona Department of Environmental Quality ("ADEQ") and Arizona Department of Water Resources ("ADWR") reports there are no major deficiencies or compliance issues for this Company. The City's water system is also in compliance with ADEQ and ADWR regulations. See Exhibit 3 for more detailed information.

## **CONCLUSIONS AND RECOMMENDATIONS**

Staff concludes that:

- The City has adequate financial, technical, and managerial skills to effectively integrate the Company's CC&N into its existing utility.
- The proposed sale of assets and CC&N cancellation will not have an adverse effect on the Company's customers or water service and is in the public interest. The City plans on upgrading the water system resulting in improved water service to customers.
- The Company's system is currently in compliance with ACC, ADEQ, and ADWR regulations. The City's system is also in compliance with ADEQ and ADWR regulations.

Staff recommends approval of the sale of assets of the Orange Grove Water Company to the City of Somerton and that the Commission cancel the CC&N of Orange Grove Water Company with the following conditions:

1. That Orange Grove files documentation of finalization of the sale of the Company to the City with the Commission in this docket within 30 days of such finalization.
2. That Orange Grove apply funds from the sale to retire the outstanding WIFA loan.

MEMORANDUM

TO: Vicki Wallace  
Executive Consultant III  
Utilities Division

FROM: Lori H. Miller  
GIS Specialist   
Utilities Division

THRU: Del Smith   
Engineering Supervisor  
Utilities Division

DATE: January 29, 2015

RE: **ORANGE GROVE WATER COMPANY, INC. (DOCKET NO. W-02237A-15-0008)**

Orange Grove Water Company, Inc. has filed an application to cancel its CC&N. The City of Somerton will be serving this area.

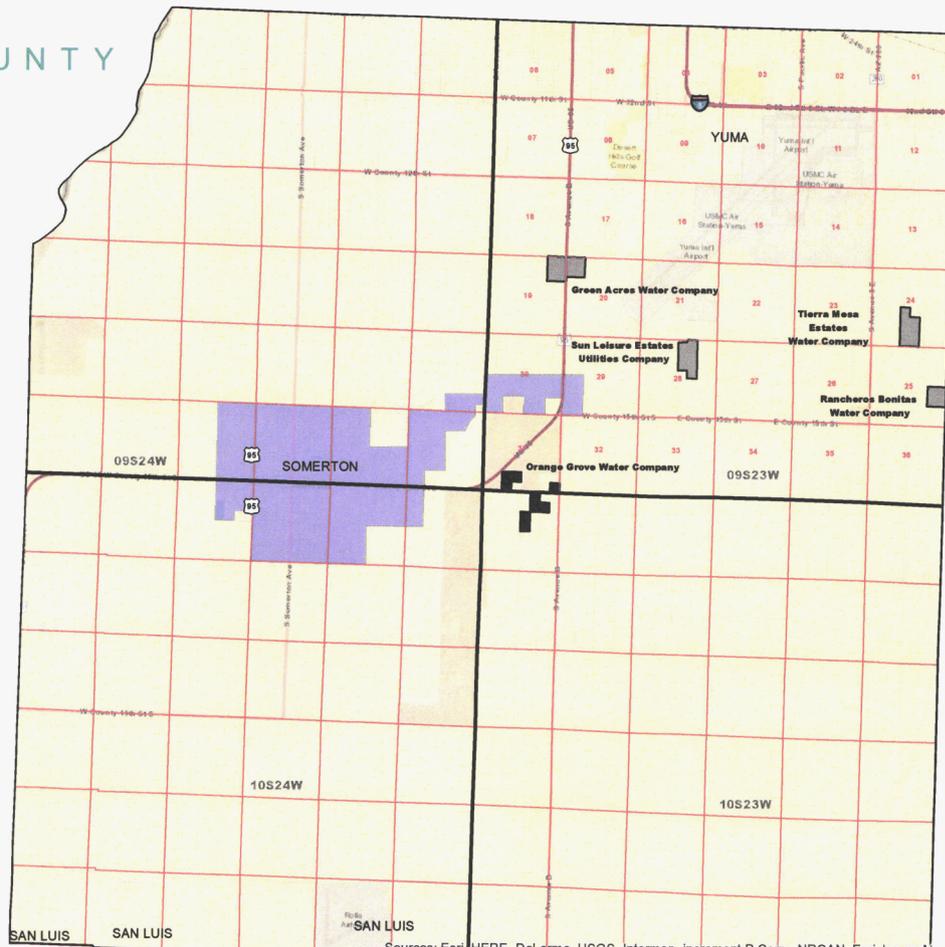
Attached is a copy of the map for your files.

/lhm

Attachment

cc: Mr. Steve Wene  
Mr. Bill Lee  
Ms. Deb Person (Hand Carried)  
Mr. Frank Smaila  
File

# YUMA COUNTY

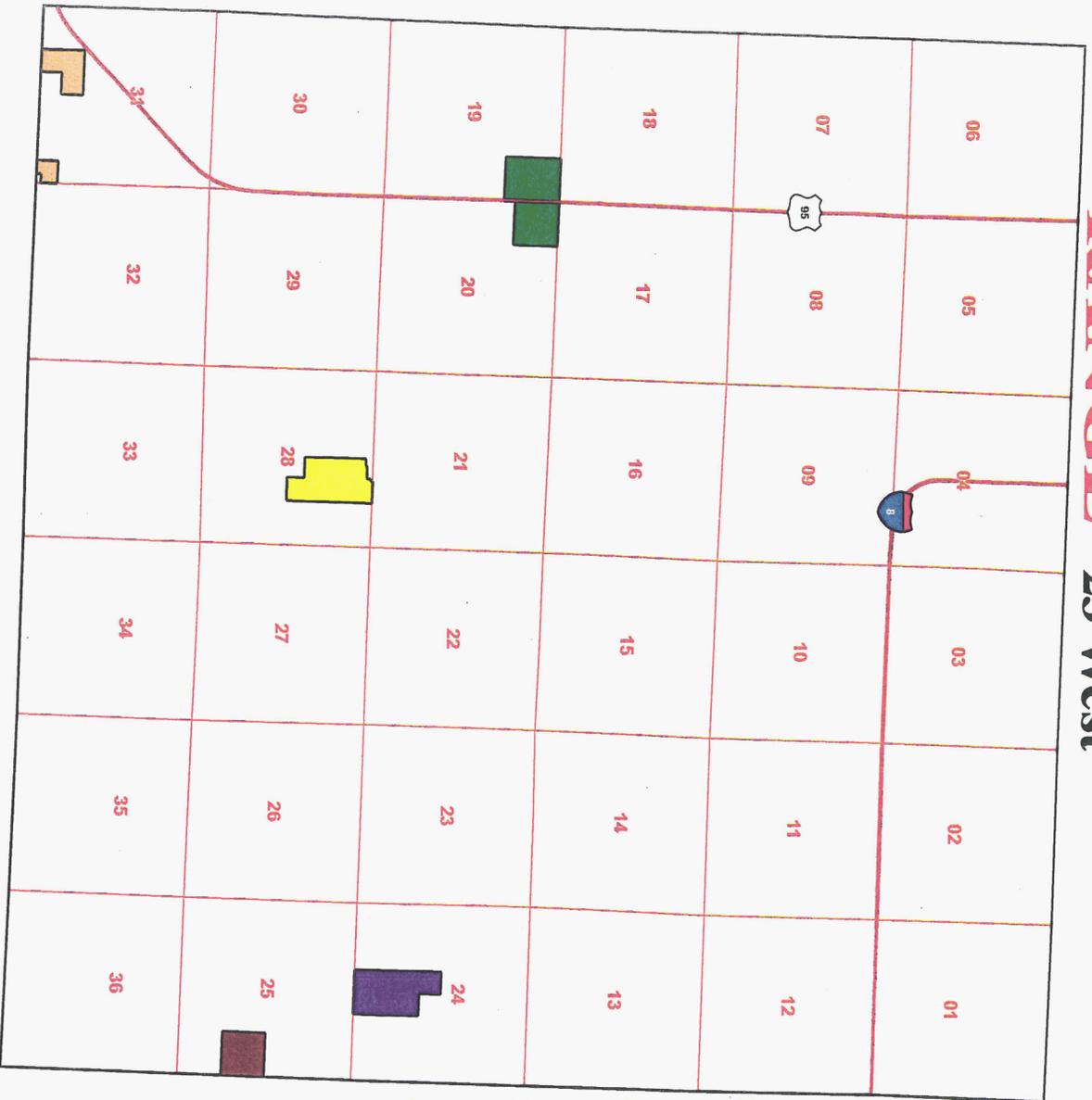


Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, Nippon Earth Information Service, Swisstopo, The Mapbox Contributors, © OpenStreetMap contributors, and the GIS User Community

# YUMA COUNTY

## Map No. 9

### RANGE 23 West



### TOWNSHIP 9 South

- W-02271A (1)  
Green Acres Water Company
- W-02237A (2)  
Orange Grove Water Company
- W-03254A (2)  
Rancheros Bonitos Water Company, LLC
- W-02386A (1)  
Sun Leisure Estates Utilities Company, Inc.
- W-02498A (1)  
Tierra Mesa Estates Water Company, Inc.
- (2)  
Orange Grove Water Company  
Docket No. W-02237A-15-0008  
Sale of Assets/CC&N Cancellation

Pursuant to ARS § 39-121.03 this map is 'Not for Commercial Use'



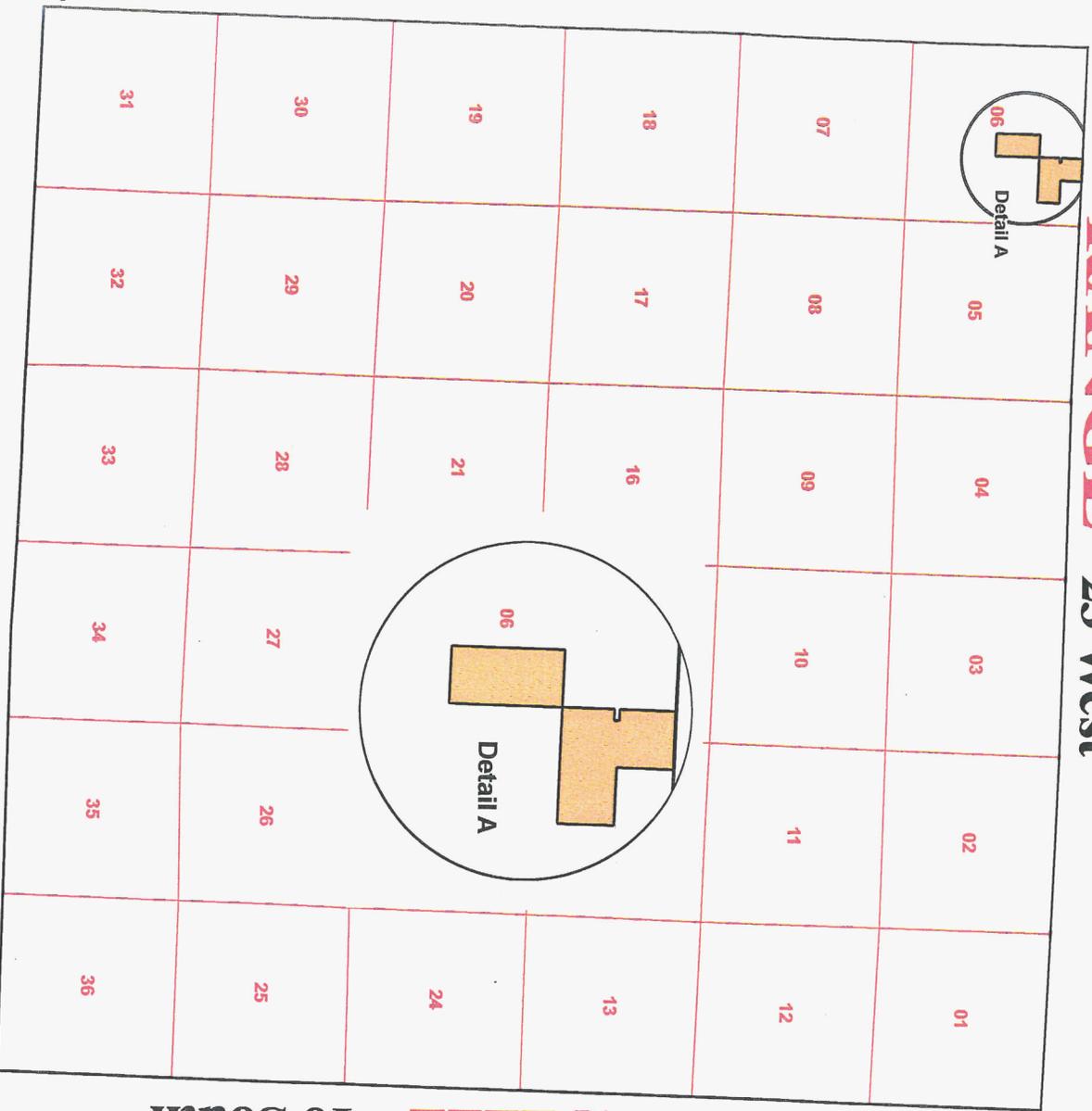
Prepared by:  
Arizona Corporation Commission  
Utilities Division  
Engineering Section/GIS Mapping  
602-542-4251

TR9S23W 05 MAY 2009

# YUMA COUNTY

Map No. 10

## RANGE 23 West



## TOWNSHIP 10 South



W-02237A (2)

Orange Grove Water Company



(2)

Orange Grove Water Company  
 Docket No. W-02237A-15-0008  
 Sale of Assets/CC&N Cancellation

Pursuant to ARS § 39-121.03 this map is 'Not for Commercial Use'



Prepared by:  
 Arizona Corporation Commission  
 Utilities Division  
 Engineering Section/GIS Mapping  
 602-542-4251  
 TR10S23W 30 DEC 1987

## MEMORANDUM

TO: Vicki Wallace  
Executive Consultant  
Utilities Division

FROM: Frank M. Smaila   
Utility Engineer  
Utilities Division

DATE: April 9, 2015

RE: Application by Orange Grove Water Company, Inc. for Arizona Corporation Commission approval of the sale of Assets and Cancellation of the Certificate of Convenience and Necessity (Docket No. W-02237A-15-0008)

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### **Introduction**

Orange Grove Water Company, Inc., (“Orange Grove” or “Company”) has filed an application for approval of the sale of its assets to the City of Somerton (“City”) and cancellation of its Certificate of Convenience and Necessity (“CC&N”). The Company is located approximately 7 miles south southwest of downtown Yuma, Arizona on West County 16<sup>th</sup> Street just southeast of State Route 95 (T9S, R23W, portion of Section 31 and T10S, R23W, portion of Section 06, Yuma County, Arizona).<sup>1</sup> The Company’s CC&N area includes approximately 90 acres. The City currently owns and operates a municipal water system approximately 1.5 miles west and north of the Company.<sup>2</sup>

An Asset Purchase Agreement (“Purchase Agreement” or “Agreement”) was executed between the Company and City on July 16, 2014. The City has extensive experience owning and operating a municipal water utility. No adverse impacts to customers are anticipated, and the City has funding in place to purchase the Company’s assets and complete planned system improvements which will provide continuous and quality water service.

### **Operation of Orange Grove Water System**

According to the Arizona Corporation Commission (“ACC” or “Commission”) Utilities Division Annual Water Report for year ending 2013 (“Annual Report”), the Company’s water system consists of two wells (Well 55-084965, Pump Yield is 200 gallons per minute (“GPM”) and Well 55-809347, Pump Yield is 55 GPM), one Pressure Tank (5,000 gallons), 10 fire hydrants, and a distribution system serving 312 metered service connections. The Company currently supplies drinking water to Orange Grove and Rancho Mesa Verde subdivisions. According to the Arizona Department of Environmental Quality (“ADEQ”), the Company serves a population of

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<sup>1</sup> See Attachment 1, Maps of the Orange Grove Water Company CC&N.

<sup>2</sup> The City of Somerton Municipality is located West of the California-Arizona state line, south of I-8, 8 miles SW of downtown Yuma and along SR-95, approximately 1.5 miles west of Orange Grove Water Company.

approximately 800. The water system does not utilize water storage<sup>3</sup> nor can the water system provide adequate fire flow<sup>4</sup>.

#### *Water System Capacity*

The Company's water system has adequate well production but is lacking required water storage to serve existing customers and reasonable growth.<sup>5</sup> In January 2012, the Commission issued Decision No. 72734 giving the Company the option of installing an on-site emergency generator in lieu of adding storage capacity. On June 22, 2012 the Water Infrastructure Finance Authority of Arizona ("WIFA") announced a \$30,000 loan closing for the Company. These WIFA loan funds were to be used to purchase and install an emergency generator for the Company's high yield backup well to ensure the system can meet peak demand. According to Kathleen Day, the Company's President, a 30 kW emergency generator was installed in 2012.

#### *Public Interest Consideration*

According to the Application, the Company is no longer interested in the day-to-day management of the water system. The City proposes to purchase the Company's assets and take over management so necessary upgrades can be made. The City has adequate financial, technical and managerial skills to effectively integrate the Company's CC&N into its existing utility. According to ADEQ's Safe Drinking Water Information System ("SDWIS"), the City has 3,200 service connections and serves approximately 14,500 customers. The City began providing municipal water service in 1920. The City filed a \$550,000 WIFA loan application for the purchase of the Company. According to WIFA, the loan application is ranked and ready to proceed. Upon finalization of the sale, the City plans on improving service to the Company customers. The planned improvements include Distribution Waterlines, 180,000 gallon Storage Tank, 1,500 GPM Booster Pump Station, Fire Protection Improvements, Emergency Generator, three-phase Electrical Service and abandonment of the Company's two active wells<sup>6</sup>. To finance the improvements, the City has applied for a grant from the State of Arizona Department of Housing ("ADOH"). In October 2014, ADOH had reserved Community Development Block Grant ("CDBG") funds in the amount of \$1,861,049.27 for the City's Orange Grove and Rancho Mesa Verde subdivisions water improvement project.<sup>7</sup> The City's water department personnel who would be responsible for the Orange Grove system have advanced ADEQ operator certifications.

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<sup>3</sup> ACC Annual Report for Year Ending 12/31/2013.

<sup>4</sup> City of Somerton, Orange Grove and Rancho Mesa Verde Potable Water Preliminary Design Report, Sept 2014.

<sup>5</sup> The Company provided water use data in its Annual Report for the year ending December 31, 2013. Staff water storage calculations utilizing a multiple well system show that the Company is lacking approximately 15,000 gallons of water storage capacity.

<sup>6</sup> City of Somerton, Orange Grove and Rancho Mesa Verde Potable Water Preliminary Design Report, Sept 2014.

<sup>7</sup> ADOH letter to Bill Lee, City of Somerton City Manager, October 22, 2014.

## **Arizona Department of Environmental Quality (“ADEQ”) Compliance**

### *Company’s System*

ADEQ is responsible for the administration and enforcement of the Safe Drinking Water Standards within the State of Arizona. In its Public Water System (“PWS”) Compliance Status Report dated September 2, 2014, ADEQ reported that the Orange Grove water system, PWS No. 14-366, has no major deficiencies and is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.

### *City’s System*

ADEQ’s PWS Compliance Status Report, dated September 2, 2014, reported that the City’s water system, PWS No. 14-015, has no major deficiencies and is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.

## **Arizona Corporation Commission (“ACC”) Compliance**

A check of the Commission’s Compliance Section database on April 9, 2015, indicated that the Company had no ACC delinquent compliance items.

## **Arizona Department of Water Resources (“ADWR”) Compliance**

### *Company’s System*

The Company is not located within an ADWR Active Management Area (“AMA”). According to the ADWR compliance status report dated April 6, 2015, the Company water system is currently compliant with departmental requirements governing water providers and/or community water systems.

### *City’s System*

The City is also not located within an ADWR AMA. According to an ADWR compliance status report dated February 11, 2015, the City water system is currently compliant with departmental requirements governing water providers and/or community water systems.

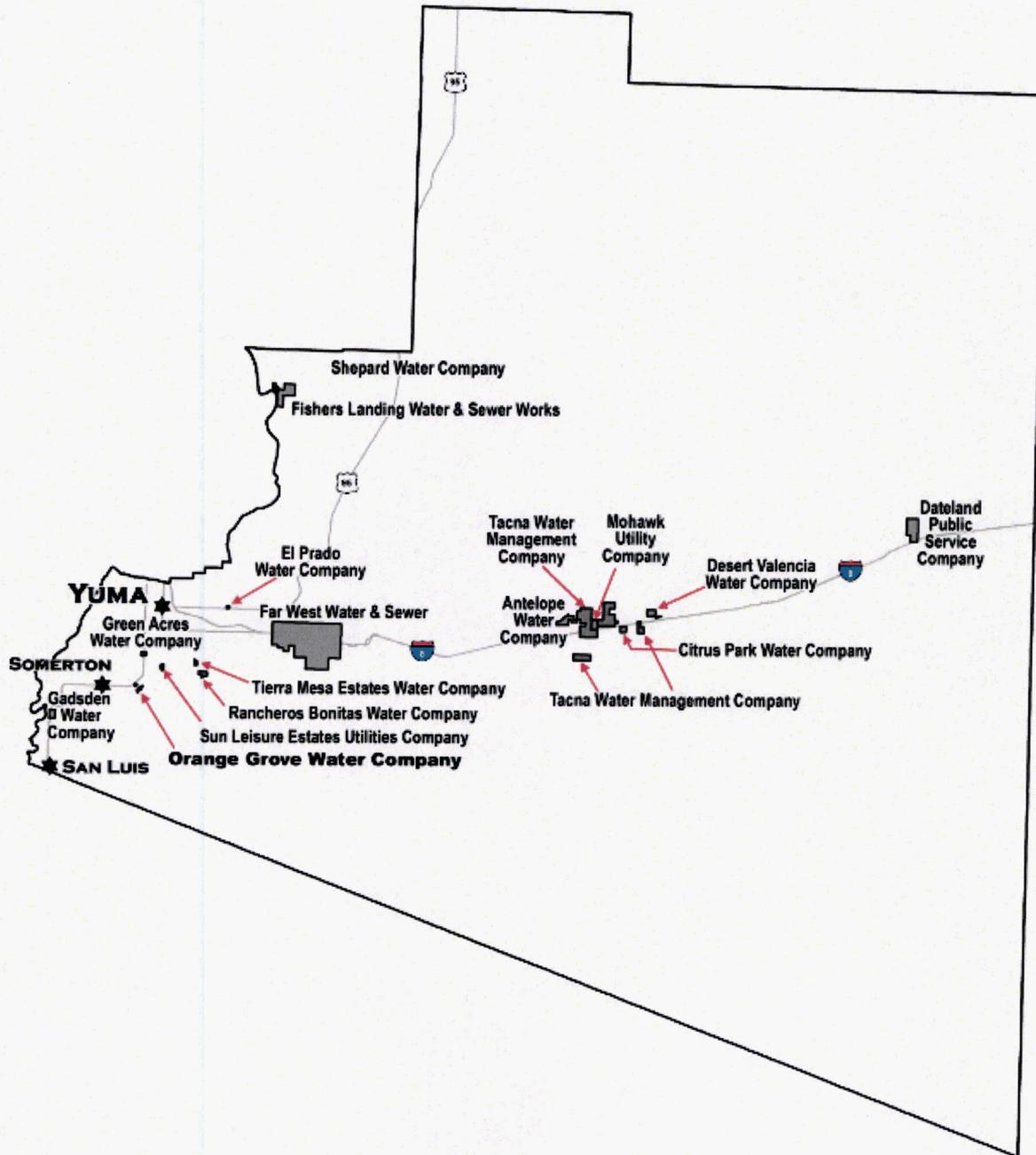
## **Conclusions**

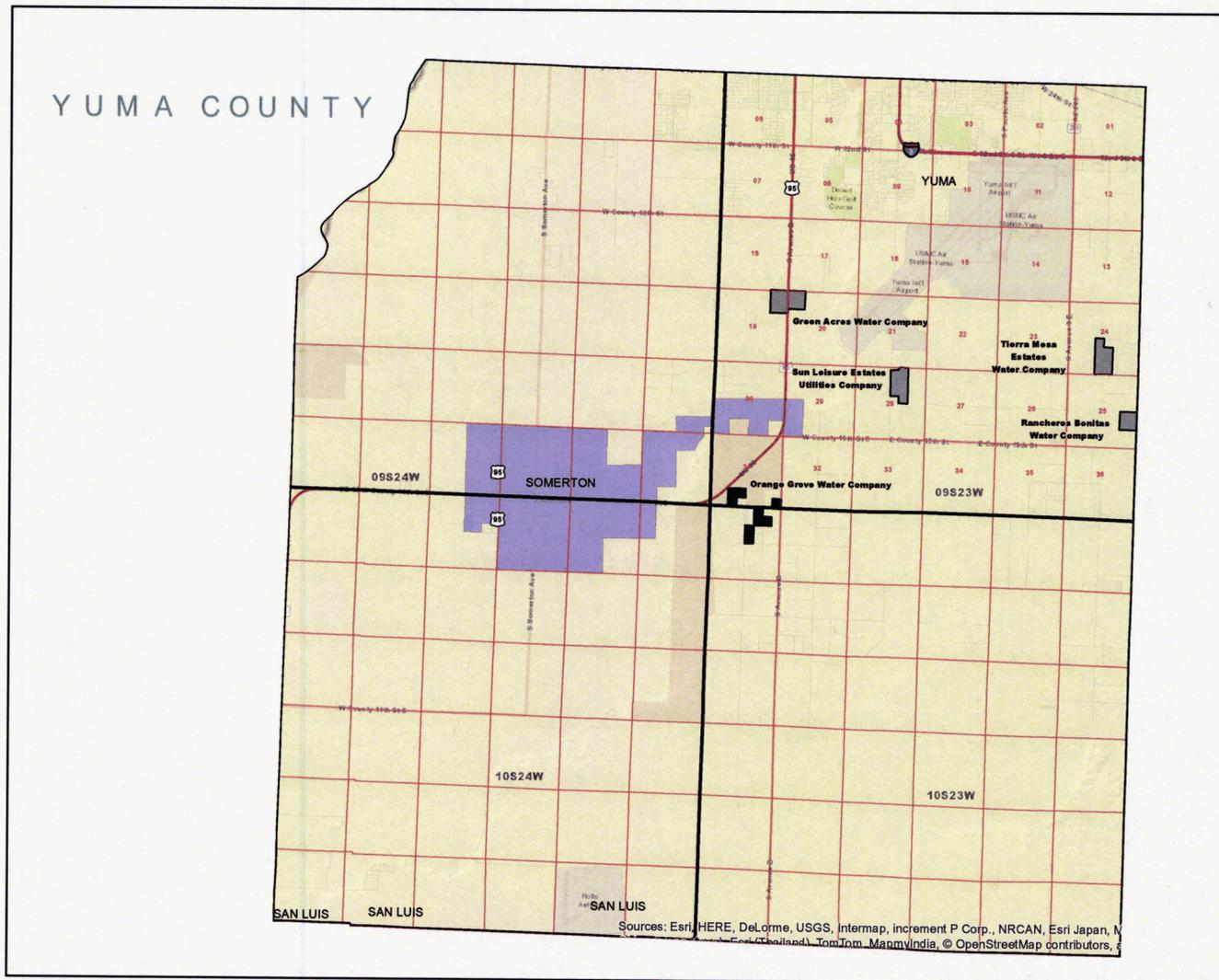
1. Staff concludes that the City has adequate financial, technical and managerial skills to effectively integrate the Company’s CC&N into its existing utility.
2. Staff concludes that the proposed sale of assets and CC&N cancellation will not have an adverse effect on the Company’s customers and their water service.

3. Staff concludes that the property where the wells are located is included with the proposed sale of assets.
4. Staff concludes that the Company has no delinquent ACC compliance items at this time.
5. Staff concludes that the Company and City water systems are in compliance with ADEQ regulations.
6. Staff concludes that the Company and City water systems are in compliance with ADWR regulations.

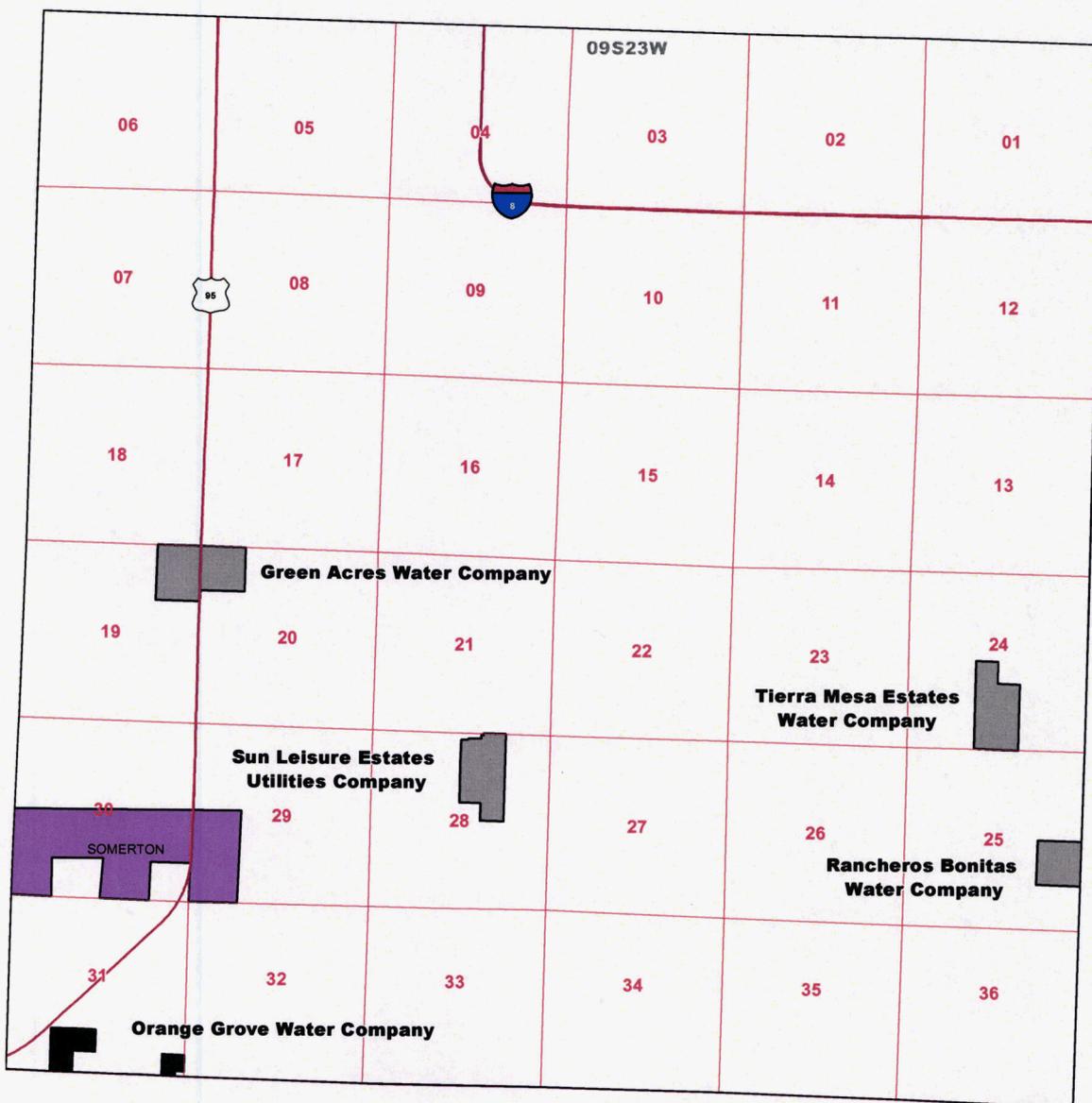
# **ATTACHMENT 1**

# YUMA COUNTY

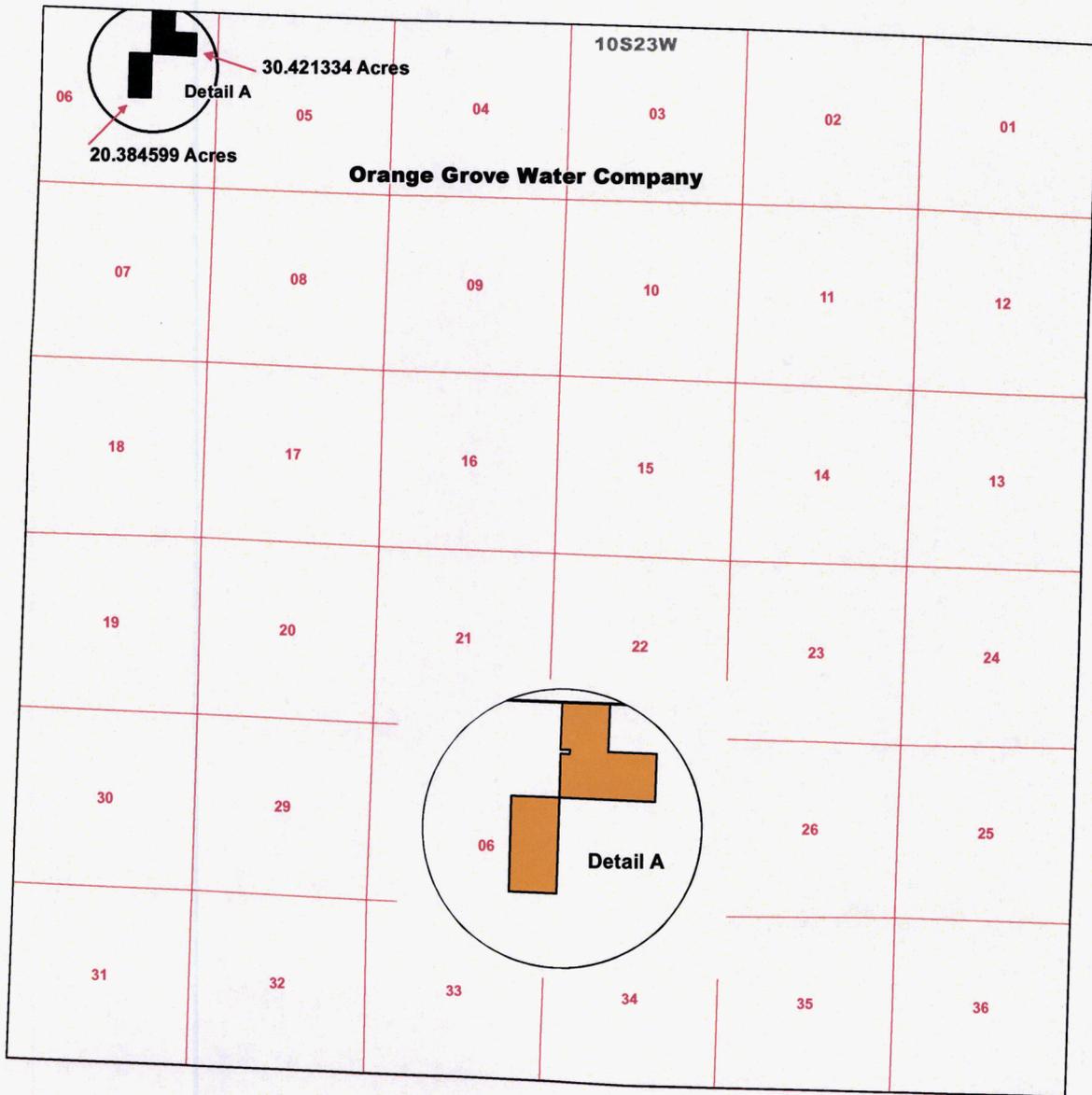




# Y U M A C O U N T Y



# Y U M A C O U N T Y



MEMORANDUM

TO: Vickie Wallace  
Executive Consultant  
Utilities Division

FROM: Brendan C. Aladi **BA**  
Public Utilities Analyst  
Financial and Regulatory Analysis Section  
Utilities Division

DATE: April 8, 2015

RE: IN THE MATTER OF THE APPLICATION OF ORANGE GROVE WATER COMPANY, INC. FOR APPROVAL OF THE SALE OF ASSETS AND CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY. (DOCKET NO. W-02237A-15-0008)

On January 14, 2015, Orange Grove Water Company ("OGWC") filed an application with the Arizona Corporation Commission ("Commission") seeking authorization to sell and transfer its assets and cancel the associated Certificate of Convenience and Necessity. The purchaser of the system is the City of Somerton ("City"), an Arizona municipality. The City provides water service to approximately 3,263 customers at the rates shown on Attachment 1. OGWC currently serves about 300 customers in Somerton, Arizona. Current rates and charges for OGWC were approved in Decision No. 72734. OGWC's rates are higher than the City rates. However, the City will continue to charge OGWC customers the same rates and charges authorized in Decision No. 72734; and are shown in Attachment 2.

The reason for the sale of the water system was to enable the community to benefit from economies of scale and receiving the benefits of being a municipal corporation, which includes opportunities to receive grants, subsidized loans and tax benefits. The City has secured its grant and loan funding for the purchase of the system.

Using OGWC Annual Report for the year ending 12/31/2013, Staff estimates a value of \$53,364 for the original cost less accumulated depreciation reserve for the facilities being sold to the City. The purchase price for the system is \$550,000. The Company has no advances in aid of construction and no customer deposits.

Staff Recommends:

1. The Commission approve OGWC's request for the sale and transfer of the utility assets to the City of Somerton.
2. The Commission cancels OGWC's Certificate of Convenience and Necessity.

**Brendan Aladi**

---

**From:** Daisy Barrios <DBarrios@cityofsomerton.com>  
**Sent:** Thursday, April 23, 2015 2:34 PM  
**To:** Brendan Aladi  
**Subject:** City of Somerton Water Rates

Brandan,

As per our conversation here is the information you've requested on our water rates and sewer.

**Residential Water**

Base Fee (first 5,000 gallons) \$11.50  
Volume Rate (gallons) 5,001 - Above \$2.39

Residential Sewer \$36.50 (flat rate)

**Commercial Class**

Base Fee (first 5,000 gallons) \$13.63  
Volume Rate (gallons) 5,001 – Above \$2.63

Commercial Sewer \$19.40 Base Fee  
\$3.28 (per 1,000 gallons)

Let me know if you need any other information.

Have a great day!

*Daisy Barrios*  
*Accounts Receivable, City of Somerton*  
*110 N. State Ave. / P.O. Box 638*  
*Somerton, AZ 85350*  
*(928) 722-7344*  
[dbarrios@cityofsomerton.com](mailto:dbarrios@cityofsomerton.com)

## ATTACHMENT 2

ORDER

IT IS THEREFORE ORDERED that Orange Grove Water Company, Inc. shall file, on or before December 30, 2011, a revised rate schedule setting forth the following rates and charges:

MONTHLY USAGE CHARGE:

5/8" x 3/4" Meter	\$ 12.15
3/4" Meter	18.15
1" Meter	30.15
1-1/2" Meter	60.15
2" Meter	96.15
3" Meter	180.15
4" Meter	300.15
6" Meter	600.15

COMMODITY CHARGE: (Per 1,000 gallons)

0 to 3,000 gallons	\$2.00
3,001 to 8,000 gallons	2.75
All gallons in excess of 8,000	3.31
Standpipe, Bulk Water	3.31

SERVICE LINE AND METER INSTALLATION CHARGES:  
(Refundable Pursuant to A.A.C. R14-2-405)

	Service Line Charge	Meter Installation*	Total
5/8" x 3/4 " Meter	\$ 415.00	\$ 105.00	\$ 520.00
3/4 " Meter	415.00	205.00	620.00
1" Meter	465.00	265.00	730.00
1-1/2" Meter	520.00	475.00	995.00
2" Turbo Meter	800.00	995.00	1,795.00
2" Compound Meter	800.00	1,840.00	2,640.00
3" Turbo Meter	1,015.00	1,620.00	2,635.00
3" Compound Meter	1,135.00	2,495.00	3,630.00
4" Turbo Meter	1,430.00	2,570.00	4,000.00
4" Compound Meter	1,610.00	3,545.00	5,155.00
6" Turbo Meter	2,150.00	4,925.00	7,075.00
6" Compound Meter	2,270.00	6,820.00	9,090.00

SERVICE CHARGES:

Establishment	\$25.00
Reconnection (Delinquent)	40.00
After Hours Charge (Flat Rate)	30.00
Meter Test (If Correct)	25.00
Deposit	*
Deposit Interest	*
Re-Establishment (Within 12 Months)	**
NSF Check	\$25.00
Deferred Payment - Per Month	1.50%
Meter Re-Read (If Correct)	\$20.00
Late Payment Charge Penalty	1.50%

1	Moving Customer Meter (Customer Request)	***
2	4" or Smaller	****
3	6"	****
3	8"	****
4	10"	****
4	Larger than 10"	****
5	* Per Commission Rule A.A.C. R14-2-403(B).	
5	** Number of months off system times the monthly minimum per Commission Rule A.A.C. R14-2-403(D).	
6	*** Cost to include parts, labor, overhead, and all applicable taxes, including income tax if applicable.	
7	**** 2.00% of monthly minimum for comparable sized meter connection, but no less than \$10.00 per month.	
7	The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.	
8	-----	