RESOLUTION NO. 47-2006

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BENSON, ARIZONA, SETTING GAS UTILITY CONNECTION RATES FOR UNESTABLISHED SERVICES AND AMENDING BENSON CITY CODE, SECTION 13-2-5, ENTITLED "RATES AND CHARGES".

WHEREAS, the Code of the City of Benson requires that its gas rates generate sufficient revenue to equal the cost of providing service to its customers and that said costs include the amounts required for connection expenses; and,

WHEREAS, the gas connection rates currently in effect are insufficient to satisfy the City Code requirement of generating sufficient revenue to equal the cost of providing said service; and,

WHEREAS, the City of Benson has prepared a comprehensive gas connection cost of service rate study to identify the required level of revenue that will cover the connection expenses of the gas utility to determine where new connection service rates must be set to balance the Gas Enterprise Fund; and,

WHEREAS, after public hearing and consideration of the various factors, the Mayor and City Council have determined that the currently existing gas connections rates are inadequate.

THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF BENSON, ARIZONA, as follows:

A. In accordance with the "**City of Benson July 2006 Gas Connection Rate Study for Unestablished Service Connections**", the following rates shall hereby be adopted as gas connection rates:

GAS CONNECTION RATE STRUCTURE:

Service Size	Total Cost of Service Installation
R-275 ¾"	$1,052.03
R-275 1"	$1,029.18
R-415 1-1/4"	$1,376.47
R-750 1-1/2"	$2,519.69
R-1000 2"	$2,613.44

B. Further, Section 13-2-5, entitled "Rates and Charges", subsection (E), shall be amended to read as follows:

Section 13-2-5 Rates and Charges:

"E. In addition to the applicable development fee, the City shall collect the following fees before any service taps or gas meters are connected to the gas system:

1. A connection fee, as established by resolution from time to time by the City Council; and,

2. The cost of repairing or replacing any pavement or other structure necessarily damaged in the process or because of the installation of any service connection, either within or without the corporate limits of the City of Benson, shall be paid by the person making the application for such service, in addition to any other charges that may be required for such

service, and such amount shall be estimated by the City Manager or his designee, and paid in advance of the City being obligated to undertake the utility work."

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, on the 23rd day of October, 2006.

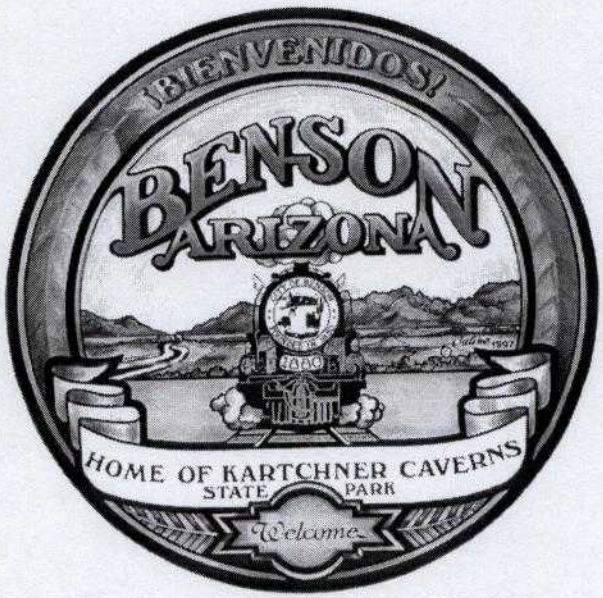
GEORGE SCOTT, Mayor

ATTEST:

VICKI L. VIVIAN - City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS - City Attorney



The City of Benson July 2006 Gas Connection Rate Study for Unestablished Service Connections

July 2006

City of Benson Gas Connection Rate Study

Prepared by Ann P. Roberts, City Attorney
and Loretta Goeglein, Utilities Administrative Assistant

Introduction

The purpose of this report is to describe the components of the various gas rate calculations for unestablished service connections in use today in the City of Benson. The various calculation methods as set forth in this study are being presented for the Mayor and Council's consideration for the purpose of ensuring that the connection charge collected by the City of Benson at the time a new gas service is established covers the City's cost of materials and labor for such connection.

Further, this Gas Connection Rate Study has been prepared for public inspection and use, and has been filed in the Office of the City Clerk located at 120 W. 6th Street, Benson, Arizona on July 10th, 2006, in accordance with Arizona Revised Statutes §9-511.01.

Methods of Gas Connection Rate Structures

The connection charge calculation is based on the size of the meter connection established. Presently, the City of Benson has established meter connection charges for five (5) different meter sizes.

Rate tables for each of the five (5) different meter sizes setting forth the cost of each component utilized in the total calculation of the cost of service for the new gas service installation are presented in this study.

Included in the components set forth in each individual rate table, one established service includes up to sixty feet (60') of yard line to be installed by the City of Benson. Installation of additional yard line performed by the City of Benson shall be billed at an additional rate of $5.96 per foot.

Questions regarding this study or any component thereof should be directed to the City of Benson Public Works Department located 120 W. 6th Street, Benson, Arizona.

Gas Connection Rate Structure for a ¾ Inch Service

Service Size	Parts	Cost	Quantity	Total
R-275 3/4				
	Tap Tee (EFV)	$ 34.75	1	$ 34.75
	Risers	$ 27.27	3	$ 81.81
	Plexco Couplings	$ 2.14	3	$ 6.42
	Lock Wing Valves	$ 19.79	2	$ 39.58
	Regulator	$ 83.16	1	$ 83.16
	Steel Elbows	$ 0.48	3	$ 1.44
	4"x3/4" Nipples	$ 0.76	5	$ 3.80
	8"x3/4" Nipple	$ 2.13	1	$ 2.13
	Steel Coupling	$ 1.03	2	$ 2.06
	Steel Tee	$ 1.03	1	$ 1.03
	1/4x3/4 Reducer	$ 0.88	1	$ 0.88
	Pete's Plug	$ 8.00	1	$ 8.00
	Swivel Set	$ 14.41	1	$ 14.41
	R275 Meter	$ 180.00	1	$ 180.00
	MXU	$ 140.00	1	$ 140.00
	Cover Box	$ 5.99	1	$ 5.99
	PVC Elbow	$ 0.99	1	$ 0.99
	Brass Valve	$ 6.24	1	$ 6.24
	PVC Coupling	$ 0.59	1	$ 0.59
	PVC Plug	$ 0.99	1	$ 0.99
	Registar / Index	$ 80.00	1	$ 80.00
	Sub-total			$ 694.27
	Labor - 3 men @ 2 hours - average hourly rate @ $12.96 per man			$ 77.76
	Equipment - Backhoe	60.00/hr	2	$ 120.00
	Equipment - Ditchwitch	45.00/hr	2	$ 90.00
	Equipment - Service Truck	35.00/hr	2	$ 70.00
	Total Cost of Service Installation			**$ 1,052.03**

Gas Connection Rate Structure for a 1 Inch Service

Service Size	Parts	Cost	Quantity	Total
R-275 1"				
	Tap Tee	$ 24.56	1	$ 24.56
	Risers	$ 21.92	3	$ 65.76
	Plexco Couplings	$ 1.92	3	$ 5.76
	Lock Wing Valves	$ 20.60	2	$ 41.20
	Regulator	$ 83.16	1	$ 83.16
	Steel Elbows	$ 0.76	3	$ 2.28
	4"x1" Nipples	$ 0.90	5	$ 4.50
	8"x1" Nipple	$ 2.96	1	$ 2.96
	Steel Coupling	$ 0.89	2	$ 1.78
	Steel Tee	$ 1.18	1	$ 1.18
	1/4x1" Reducer	$ 0.80	1	$ 0.80
	Pete's Plug	$ 8.00	1	$ 8.00
	Swivel Set	$ 14.41	1	$ 14.41
	R275 Meter	$ 180.00	1	$ 180.00
	MXU	$ 140.00	1	$ 140.00
	Cover Box	$ 5.99	1	$ 5.99
	PVC Elbow	$ 0.99	1	$ 0.99
	Brass Valve	$ 6.51	1	$ 6.51
	PVC Coupling	$ 0.59	1	$ 0.59
	PVC Plug	$ 0.99	1	$ 0.99
	Register / Index	$ 80.00	1	$ 80.00
	Sub-total			$ 671.42
	Labor - 3 men @ 2 hours - average hourly rate @ $12.96 per man			$ 77.76
	Equipment - Backhoe	60.00/hr	2	$ 120.00
	Equipment - Ditchwitch	45.00/hr	2	$ 90.00
	Equipment - Service Truck	35.00/hr	2	$ 70.00
	Total Cost of Service Installation			**$ 1,029.18**

Gas Connection Rate Structure for a 1 ¼ Inch Service

Service Size	Parts	Cost	Quantity	Total
R-415 1-1/4				
	Tap Tee	$ 85.11	1	$ 85.11
	Risers	$ 46.76	3	$ 140.28
	Plexco Couplings	$ 2.38	3	$ 7.14
	Lock Wing Valves	$ 27.52	2	$ 55.04
	Regulator	$ 56.77	1	$ 56.77
	Steel Elbows	$ 1.25	3	$ 3.75
	4"x1-1/4" Nipples	$ 1.82	5	$ 9.10
	8"x1-1/4" Nipple	$ 6.70	1	$ 6.70
	Steel Coupling	$ 1.55	2	$ 3.10
	Steel Tee	$ 1.93	1	$ 1.93
	1/4x1-1/4 Reducer	$ 1.43	1	$ 1.75
	Pete's Plug	$ 8.00	1	$ 8.00
	Swivel Set	$ 14.41	1	$ 14.41
	R415 Meter	$ 385.41	1	$ 385.41
	MXU	$ 140.00	1	$ 140.00
	Cover Box	$ 5.99	1	$ 5.99
	PVC Elbow	$ 0.99	1	$ 0.99
	Brass Valve	$ 11.66	1	$ 11.66
	PVC Coupling	$ 0.59	1	$ 0.59
	PVC Plug	$ 0.99	1	$ 0.99
	Registar / Index	$ 80.00	1	$ 80.00
	Sub-total			$ 1,018.71
	Labor - 3 men @ 2 hours - average hourly rate @ $12.96 per man			$ 77.76
	Equipment - Backhoe	60.00/hr	2	$ 120.00
	Equipment - Ditchwitch	45.00/hr	2	$ 90.00
	Equipment - Service Truck	35.00/hr	2	$ 70.00
	Total Cost of Service Installation			**$ 1,376.47**

Gas Connection Rate Structure for a 1 ½ Inch Service

Service Size	Parts	Cost	Quantity	Total
R-750 1-1/2"				
	Tap Tee (estimated by supplier)	$ 100.00	1	$ 100.00
	Risers	$ 56.93	3	$ 170.79
	Plexco Couplings	$ 4.05	3	$ 12.15
	Lock Wing Valves	$ 36.90	2	$ 73.80
	Regulator	$ 276.36	1	$ 276.36
	Steel Elbows	$ 1.65	3	$ 4.95
	4"x1-1/2" Nipples	$ 2.04	5	$ 281.31
	8"x1-1/2" Nipple	$ 4.49	1	$ 4.49
	Steel Coupling	$ 1.65	2	$ 3.30
	Steel Tee	$ 2.40	1	$ 2.40
	1/4x1-1/2" Reducer	$ 1.89	1	$ 1.89
	Pete's Plug	$ 8.00	1	$ 8.00
	Swivel Set	$ 14.41	1	$ 14.41
	R750 Meter	$1,190.00	1	$ 1,190.00
	Brass Valve	$ 18.08	1	$ 18.08
	Sub-total			$ 2,161.93
	Labor - 3 men @ 2 hours - average hourly rate @ $12.96 per man			$ 77.76
	Equipment - Backhoe	60.00/hr	2	$ 120.00
	Equipment - Ditchwitch	45.00/hr	2	$ 90.00
	Equipment - Service Truck	35.00/hr	2	$ 70.00
	Total Cost of Service Installation			**$ 2,519.69**

Gas Connection Rate Structure for a 2 Inch Service

Service Size	Parts	Cost	Quantity	Total
R-1000 2"				
	Tap Tee	$ 92.44	1	$ 92.44
	Risers	$ 93.62	3	$ 280.86
	Plexco Couplings	$ 2.50	3	$ 7.50
	Lock Wing Valves	$ 59.02	2	$ 118.04
	Regulator	$ 276.36	1	$ 276.36
	Steel Elbows	$ 3.02	3	$ 9.06
	4"x2" Nipples	$ 1.87	5	$ 9.35
	8"x2" Nipple	$ 6.04	1	$ 6.04
	Steel Coupling	$ 2.20	2	$ 4.40
	Steel Tee	$ 4.09	1	$ 4.09
	1/4x2" Reducer	$ 1.08	1	$ 1.08
	Pete's Plug	$ 8.00	1	$ 8.00
	R1000 Meter Swivels included	$1,411.79	1	$ 1,411.79
	Brass Valve	$ 26.67	1	$ 26.67
	Sub-total			$ 2,255.68
	Labor - 3 men @ 2 hours - average hourly rate @ $12.96 per man			$ 77.76
	Equipment - Backhoe	60.00/hr	2	$ 120.00
	Equipment - Ditchwitch	45.00/hr	2	$ 90.00
	Equipment - Service Truck	35.00/hr	2	$ 70.00
	Total Cost of Service Installation			**$ 2,613.44**