

ORDINANCE NO. 0-07-70

AN ORDINANCE AMENDING CHAPTER 27, SECTION 27-273, PURCHASED GAS ADJUSTMENT, OF THE GAINESVILLE CODE OF ORDINANCES BY AMENDING THE HANDLING OF THE TRUE-UP CORRECTION FACTOR; PROVIDING A REPEALING CLAUSE; PROVIDING DIRECTIONS TO THE CODIFIER; PROVIDING A SEVERABILITY CLAUSE; AND, PROVIDING AN EFFECTIVE DATE IN ACCORDANCE WITH THE SCHEDULE PROVIDED HEREIN.

**WHEREAS**, at least ten (10) days notice has been given of the public hearings once by publication in a newspaper of general circulation notifying the public of this proposed ordinance and of the public hearings in the City Commission meeting room, first floor, City Hall, City of Gainesville; and

**WHEREAS**, the public hearings were held pursuant to the published notices described above at which hearings the parties in interest and all others had an opportunity to be and were, in fact, heard.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA:**

**Section 1.** Section 27-273, Purchased Gas Adjustment, of the Gainesville Code of Ordinances is hereby amended to read as follows:

(a) A purchased gas adjustment shall be added to the base rate for natural gas service to all retail rate classifications as specified in the schedule set out in Appendix A of the

Gainesville Code of Ordinances. The purchased gas adjustment shall be computed to the nearest 0.001¢ per therm of energy consumed in accordance with the formula specified in subsection (c) and (d) of this section. The purposes of the purchased gas adjustment are to allocate to each retail customer rate classification the appropriate amount of system fuel cost associated with the natural gas service to such customer classification; to specify the amount of such costs that have resulted from increases in the cost of fuel subsequent to October 1, 1973; and, to segregate that portion of charges that are exempt from utility tax. For the purposes of this section, system fuel costs shall be the cost of fuel delivered to the system, which may include adjustments to reflect extraordinary fuel related expenses or credits. Retail fuel cost shall be system fuel cost less the fuel cost portion of off-system sales. Off-system sales include all non-retail firm and interruptible sales to customers not specified under the provisions of this article. Off-system fuel cost shall be the cost of fuel delivered.

(b) The purchased gas adjustment for retail sales each month shall be based on retail fuel cost and energy sales in therms which are estimated by the general manager for utilities or his/her designee. The true-up correction factor specified in section 27-274 shall also be included in the purchased gas adjustment. The general manager for utilities or his/her designee will have the authority to make adjustments to the true-up correction factor within the six month period to account for under/over collections during the period.

(c) The following formula shall be used in computing the purchased gas adjustment for firm retail sales:

TABLE INSET:

(1)	Projected MBtus of firm gas sales 1	= _____ MBtu
(2)	Projected firm fuel cost 1	= \$ _____
(3)	Calculation of purchased gas adjustment for the current month:	

	a.	Projected firm fuel cost per therm:	
		Item (2)	
		Item (1) × 10	= \$_____ per therm
	b.	Plus true-up per therm for the corresponding six-month period of the preceding year:	= \$_____ per therm
	c.	Subtotal	= \$_____ per therm
	d.	Plus taxes and fees:	
		Item (3)c × SAF 2	= \$_____ per therm
	e.	Purchased gas adjustment to be applied to firm gas bills rendered in the billing month:	
		Item (3)c + Item (3)d – 0.06906 3	= \$_____ per therm

**Footnotes:**

1 Firm fuel costs and therms of firm gas sales are to be estimated for the billing month by the general manager for utilities or his/her designee.

2 The special assessment factor (SAF) is a percentage rate imposed by the Florida legislature on each therm of natural gas sold in the State of Florida.

3 Six and nine hundred six one thousandths of a cent (\$0.06906) per therm, was the cost of fuel, imbedded within base rates for firm retail sales on October 1, 1973.

(d) The following formula shall be used in computing the purchased gas adjustment for interruptible retail sales:

TABLE INSET:

(1)	Projected MBtus of interruptible gas sales 1	= _____ MBtu
(2)	Projected interruptible fuel cost 1	= \$ _____
(3)	Calculation of purchased gas adjustment for the current month:	
a.	Projected interruptible fuel cost per therm:	
	Item (2)	
	Item (1) × 10	= \$ _____ per therm
b.	Plus true-up per therm for the corresponding six-month period of the preceding year:	= \$ _____ per therm
c.	Subtotal	= \$ _____ per therm
d.	Plus taxes and fees:	
	Item (3)c × SAF 2	= \$ _____ per therm
e.	Purchased gas adjustment to be applied to interruptible gas bills rendered in the billing month:	
	Item (3)c + Item (3)d – 0.05516 3	= \$ _____ per therm

*Footnotes:*

1 Interruptible fuel costs and therms of interruptible gas sales are to be estimated for the billing month by the general manager for utilities or his/her designee.

2 The special assessment factor (SAF) is a percentage rate imposed by the Florida legislature on each therm of natural gas sold in the State of Florida.

3 Five and five hundred sixteen one thousandths of a cent (\$0.05516) per therm, was the cost of fuel, imbedded within base rates for interruptible retail sales on October 1, 1973.

1       **Section 2.** All ordinances in conflict herewith are to the extent of such conflict  
2 hereby repealed.

3       **Section 3.** It is the intention of the City Commission that the provisions of  
4 Section 1 of this Ordinance shall become and be made a part of the Code of  
5 Ordinances of the City of Gainesville, Florida, and that the Sections and Paragraphs of  
6 this Ordinance may be renumbered or relettered in order to accomplish such intentions.

7       **Section 4.** If any portion of this ordinance is declared invalid by a court of  
8 competent jurisdiction, such invalidity shall not affect the remaining portions of this  
9 ordinance.

10       **Section 5.** This ordinance shall take effect immediately upon its adoption;  
11 provided however, the rates and charges as provided for herein shall be applicable to all  
12 monthly bills which are for the first time rendered and postmarked after 12:01 A.M.,  
13 October 1, 2007.

14       PASSED and ADOPTED this \_\_\_\_\_ day \_\_\_\_\_, 2007.

15  
16 \_\_\_\_\_  
17 Pegeen Hanrahan  
18 Mayor

18 ATTEST:

19  
20  
21 \_\_\_\_\_  
22 Kurt M. Lannon, Jr.  
23 Clerk of the Commission

24 Approved as to form and legality

25  
26  
27 \_\_\_\_\_  
28 Marion J. Radson  
29 City Attorney  
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1 This ordinance passed on first reading this \_\_\_\_ day of \_\_\_\_\_, 2007.

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4 This ordinance passed on second reading this \_\_\_\_ day of \_\_\_\_\_, 2007.

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