



MEMORANDUM

Office of the City Attorney

Phone: 334-5011/Fax 334-2229
Box 46

000252

TO: Mayor and City Commissioners

DATE: September 11, 2000

FROM: City Attorney

FIRST READING

SUBJECT: Ordinance No. 0-00-96

An ordinance amending Appendix A, Section Utilities (5) Natural Gas of the Gainesville Code of Ordinances by Revising the Rates and Charges for Natural Gas; Providing a Repealing Clause; Providing a Severability Clause; and, Providing an Effective Date in Accordance with the Schedule Provided Herein.

Recommendation: The City Commission adopt the proposed ordinance.

In the proposed budget for the Combined Utilities System, as presented by the General Manager a recommendation is made to increase natural gas rates by 3.75%. Even with this increase, GRU gas rates remain among the lowest in the state.

The natural gas customer charges and energy charge rates will be increased by 3.75% for each rate class.

Prepared by: Cassandra Glass
Cassandra Glass
Utility Analyst

Reviewed by: Raymond O. Manasco, Jr.
Raymond O. Manasco, Jr.
Utilities Attorney

Approved and
Submitted by: Marion J. Radson
Marion J. Radson
City Attorney

D R A F T

8/16/00

ORDINANCE NO. _____
0-00-96

1
2
3
4
5 AN ORDINANCE AMENDING APPENDIX A, SECTION
6 UTILITIES (5) NATURAL GAS OF THE GAINESVILLE CODE
7 OF ORDINANCES BY REVISING THE RATES AND CHARGES
8 FOR NATURAL GAS; PROVIDING A REPEALING CLAUSE;
9 PROVIDING A SEVERABILITY CLAUSE; AND, PROVIDING
10 AN EFFECTIVE DATE IN ACCORDANCE WITH THE
11 SCHEDULE PROVIDED HEREIN.
12
13

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

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

21
22 BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE,
23 FLORIDA:

24
25 Section 1. Appendix A, Section Utilities(5) Natural Gas of the Gainesville Code of
26 Ordinances is hereby amended to read as follows:

27 (5) Natural gas:

CODE: Words ~~stricken~~ are deletions; words underlined are additions.

D R A F T

8/16/00

- 1 a. Appliance service and repair charges (§27-279):
- 2 1. Trip charge \$25.00
- 3 2. Labor charge, per one-half hour \$18.50
- 4 Minimum charge of one-half hour; total charge in one-half hour increments
- 5 3. In addition, for other than normal working hours (8:00 a.m. to 5:00 p.m.,
- 6 M-F, excluding city holidays), per one-half hour..... \$18.50
- 7 b. Residential service rates (§27-272):
- 8 1. Base rate. The rates to be charged and collected for natural gas sales
- 9 on a firm basis furnished by the City to consumers for residential service
- 10 are hereby fixed as follows:
- 11 (i) Customer charge, per month, per bill rendered ~~\$6.36~~ \$6.60
- 12 (ii) Energy charge, per therm..... ~~\$0.36656~~ \$0.38031
- 13 2. Minimum Monthly Bill. The minimum monthly bill shall be equal to the
- 14 customer charge.
- 15 3. Purchased gas adjustment. (see §27-273)
- 16 c. General service rates (§27-272):
- 17 1. Base rate. The rates to be charged and collected for natural gas sales
- 18 on a firm basis furnished by the City to consumers for general service
- 19 are hereby fixed as follows:
- 20 (i) Customer charge, per month, per bill rendered ~~\$15.90~~ \$16.50
- 21 (ii) Energy Charge, per therm..... ~~\$0.21240~~ \$0.22037

CODE: Words ~~stricken~~ are deletions; words underlined are additions.

D R A F T

8/16/00

1 2. Minimum Monthly Bill. The minimum monthly bill shall be equal to the customer charge.

2 3. Purchased gas adjustment. (see §27-273)

3 d. Interruptible service rates (§27-272):

4 1. Base rate. The rates to be charged and collected for natural gas sales on an
5 interruptible basis furnished by the City to consumers for interruptible service are
6 hereby fixed as follows:

7 (i) Customer charge, per month, per bill rendered ~~\$318.00~~ \$330.00

8 (ii) Energy charge, per therm ~~\$0.15511~~ \$0.16093

9 2. Minimum Monthly Bill. The minimum monthly bill shall be equal to the customer charge
10 plus a minimum billing volume of natural gas as specified in the interruptible service
11 contract.

12 3. Purchased gas adjustment. (see §27-273)

13 4. Make-up gas. If, in any month, the consumer does not take the minimum monthly
14 quantity and as a consequence is required to pay a non-fuel energy charge for natural
15 gas not taken, then and in that event, the consumer shall be entitled to receive from
16 the City without payment of a further non-fuel energy charge, at any time within the
17 subsequent eleven (11) months, a quantity of make-up gas equal to the quantity paid
18 for but not taken; provided, however, that consumer shall be entitled to receive
19 make-up gas in a subsequent month only if and to the extent that the consumer has
20 actually taken natural gas (excluding any natural gas taken in violation of an
21 interruption or curtailment order) in excess of the minimum monthly quantity during

CODE: Words ~~stricken~~ are deletions; words underlined are additions.

D R A F T

8/16/00

1 such subsequent month. The minimum monthly quantity shall in each subsequent
2 month be the first natural gas taken. Consumer shall pay the Purchased Gas
3 Adjustment charge applicable to such make-up gas at the time it is taken.

4 5. Availability. This service is available to consumers in the natural gas service area
5 both within and outside the corporate limits of the City who have executed an
6 Interruptible Gas Service Contract with the City and only to the extent that supplies
7 are available for this service under the City's service contracts with its suppliers.

8 e. Contract interruptible service rates (§27-272):

9 1. Base rate. The rates to be charged and collected for natural gas sales on an
10 interruptible basis furnished by the City to consumers for contract interruptible
11 service are hereby fixed as follows:

12 (i) Customer charge, per month, per bill rendered~~\$318.00~~ \$330.00

13 (ii) Energy charge, per therm. A contract rate which is not less than the adjusted
14 current cost of alternative fuel and which is not greater than the non-fuel
15 energy charge for interruptible service. In no event shall the contract rate be
16 less than \$0.00 per therm. The non-fuel energy charge for a consumer not
17 complying with the provisions of section 4~~(ii)~~ 5(ii) below shall be equal to the
18 current non-fuel energy charge for interruptible service.

19 2. Minimum Monthly Bill. The minimum monthly bill shall be equal to the customer
20 charge plus a minimum billing volume of natural gas as specified in the contract
21 interruptible service contract.

CODE: Words ~~stricken~~ are deletions; words underlined are additions.

D R A F T

8/16/00

- 1 3. Purchased gas adjustment. (see §27-273)
- 2 4. Make-up gas. If, in any month, the consumer does not take the minimum monthly
- 3 quantity and as a consequence is required to pay a non-fuel energy charge for
- 4 natural gas not taken, then and in that event, the consumer shall be entitled to
- 5 receive from the City without payment of a further non-fuel energy charge, at any
- 6 time within the subsequent eleven (11) months, a quantity of make-up gas equal to
- 7 the quantity paid for but not taken; provided, however, that consumer shall be
- 8 entitled to receive make-up gas in a subsequent month only if and to the extent that
- 9 the consumer has actually taken natural gas (excluding any natural gas taken in
- 10 violation of an interruption or curtailment order) in excess of the minimum monthly
- 11 quantity during such subsequent month. The minimum monthly quantity shall in
- 12 each subsequent month be the first natural gas taken. Consumer shall pay the
- 13 Purchased Gas Adjustment charge applicable to such make-up gas at the time it is
- 14 taken.
- 15 5. Availability. This service is available to consumers in the natural gas service area
- 16 both within and outside the corporate limits of the City:
- 17 (i) who have executed an Contract Interruptible Gas Service Contract with the
- 18 City; and,
- 19 (ii) who have completed and submitted a Contract Interruptible Service
- 20 Affidavit and Agreement form specifying their adjusted current cost of
- 21 alternative fuel. Such forms shall be submitted monthly, on the first day of

CODE: Words ~~stricken~~ are deletions; words underlined are additions.

D R A F T

8/16/00

each month, and anytime there is a change to information contained in a form previously submitted; and,

(iii) only to the extent that supplies are available for this service under the City's service contracts with its suppliers.

The city reserves the right, upon twenty-four (24) hours notice to the consumer and in the sole discretion of the general manager for utilities or his/her designee, to discontinue service under this rate classification or to discontinue the contract rate and to offer the consumer an increased contract rate, not to exceed the current non-fuel energy charge for interruptible service.

f. Large volume interruptible service rates (§27-272):

1. Base rate. The rates to be charged and collected for natural gas sales on an interruptible basis furnished by the City to consumers for large volume interruptible service are hereby fixed as follows:

- (i) Customer charge, per month, per bill rendered ~~\$318.00~~ \$330.00
- (ii) Energy charge, per therm..... ~~\$0.09481~~ \$0.09837

2. Minimum Monthly Bill. The minimum monthly bill shall be equal to the customer charge plus the minimum monthly quantity of 790,000 therms times the rate per therm, excluding the Purchased Gas Adjustment, and shall apply to each billing or portion thereof.

3. Purchased gas adjustment. (see §27-273)

4. Make-up gas. If, in any month, the consumer does not take the minimum monthly

CODE: Words ~~stricken~~ are deletions; words underlined are additions.

D R A F T

8/16/00

1 quantity and as a consequence is required to pay a non-fuel energy charge for

2 at any time within the subsequent eleven (11) months, a quantity of make-up
3 gas equal to the quantity paid for but not taken; provided, however, that consumer
4 shall be entitled to receive make-up gas in a subsequent month only if and to the
5 extent that the consumer has actually taken natural gas (excluding any natural
6 quantity shall in each subsequent month be the first natural gas taken. Consumer
7 shall pay the Purchased Gas Adjustment charge applicable to such make-up gas at
8 the time it is taken.

9 5. Availability. This service is available to consumers in the natural gas service area
10 both within and outside the corporate limits of the City who have executed a Large
11 Volume Interruptible Gas Service Contract with the City and only to the extent that
12 supplies are available for this service under the City's service contracts with its
13 suppliers.

14 g. Liquid propane gas service rates (§27-288.1):

15 1. Base rate. The rates to be charged and collected for liquid propane gas sales furnished by
16 the City to consumers are hereby fixed as follows:

17 (i) Customer charge, per month, per bill rendered ~~\$6.36~~ \$6.60

18 (ii) Energy charge (Non-fuel), per gallon. A contract rate which shall equal the sum
19 of the current non-fuel energy charge for residential natural gas customers and
20 one of the following conversion cost recovery rates as determined by the
21 general manager for utilities or his/her designee:

CODE: Words ~~stricken~~ are deletions; words underlined are additions.

D R A F T

8/16/00

- 1 A. Three-year recovery, per gallon..... \$0.15
- 2 B. Five-year recovery, per gallon..... \$0.10
- 3 C. Seven-year recovery, per gallon \$0.075
- 4 D. More than seven-year recovery, per gallon..... \$0.03

5 2. Minimum Monthly Bill. The minimum monthly bill shall be equal to the customer
6 charge.

7 3. Liquid propane purchased gas adjustment. (see §27-288.2)

- 8 h. Curtailment penalty, per therm (§27-277(b)(3)) \$1.75

9
10 Section 2. All ordinances in conflict herewith are to the extent of such conflict hereby
11 repealed.

12 Section 3. If any portion of this ordinance is declared invalid by a court of competent
13 jurisdiction, such invalidity shall not affect the remaining portions of this ordinance.

14 Section 4. This ordinance shall take effect immediately upon its adoption; provided
15 however, the rates and charges as provided for herein shall be applicable to all monthly bills
16 which are for the first time rendered and postmarked after 12:01 A.M., October 1, 2000.

17

CODE: Words ~~stricken~~ are deletions; words underlined are additions.

D R A F T

8/16/00

1 PASSED and ADOPTED this _____ day _____, 2000.

2
3

Paula M. DeLaney
Mayor-Commissioner

4
5
6 ATTEST:

7
8

Clerk of the Commission

Approved as to form and legality

9
10
11
12
13

Marion J. Radson
City Attorney

14
15
16
17

18 This ordinance passed on first reading this ____ day of _____, 2000.

19
20

21 This ordinance passed on second reading this ____ day of _____, 2000.

CODE: Words ~~stricken~~ are deletions; words underlined are additions.