



MEMORANDUM

Office of the City Attorney

Phone: 334-5011/Fax 334-2229
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TO: Mayor and City Commissioners

DATE: SEP 10 2007

FROM: City Attorney

FIRST READING

SUBJECT: Ordinance No. 0-07-67

AN ORDINANCE AMENDING APPENDIX A, SECTION UTILITIES (5) NATURAL GAS OF THE GAINESVILLE CODE OF ORDINANCES BY INCREASING NATURAL GAS BASE RATES AND CUSTOMER SERVICE CHARGES; 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.

Recommendation:

The City Commission adopt the proposed ordinance.

Background:

In the Proposed Budget for the Combined Utilities System, the General Manager made a recommendation to increase natural gas base rates and customer service charges for residential and non-residential customers.

The rate changes will be applied to bills rendered after 12:01 A.M., October 1, 2007.

Prepared by:

Diane Wilson
Utility Analyst

Reviewed by:

Raymond O. Manasco, Jr.
Utilities Attorney

Submitted by:

Marion J. Radson
City Attorney

ORDINANCE NO. 0-07-67

AN ORDINANCE AMENDING APPENDIX A, SECTION UTILITIES (5) NATURAL GAS OF THE GAINESVILLE CODE OF ORDINANCES BY INCREASING NATURAL GAS BASE RATES AND CUSTOMER SERVICE CHARGES; 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. Appendix A, Section Utilities (5) Natural Gas of the Gainesville Code of Ordinances is hereby amended to read as follows:

(5) *Natural gas:*

a. Appliance service and repair charges (§27-279):

- 1. Trip charge \$ 25.00
- 2. Labor charge, per one-half hour..... \$ 18.50

Minimum charge of one-half hour; total charge in one-half hour increments

3. In addition, for other than normal working hours (8:00 a.m. to 5:00 p.m.,

1 M-F, excluding city holidays), per one-half hour \$ 18.50

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3 b. Residential service rates (§27-272):

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

- 8 (i) Customer charge, per month, per bill rendered..... \$ ~~7.04~~ 7.15
9 (ii) Energy charge, per therm..... \$ ~~0.40537~~ 0.424
10 (iii) Manufactured gas plant cost recovery factor, per therm..... \$ 0.0321

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

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15 3. Purchased gas adjustment. (see Section 27-273)

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17 c. General service rates (§27-272):

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19 1. Base rate. The rates to be charged and collected for natural gas sales
20 on a firm basis furnished by the City to consumers for general service
21 are hereby fixed as follows:

- 22 (i) Customer charge, per month, per bill rendered..... \$ ~~17.60~~ 19.89
23 (ii) Energy Charge, per therm \$ ~~0.23490~~ 0.270
24 (iii) Manufactured gas plant cost recovery factor, per therm..... \$ 0.0321

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

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

d. 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 interruptible service are hereby fixed as follows:

(i) Customer charge, per month, per bill rendered.....	\$	351.90
(ii) Energy charge, per therm.....	\$	0.17153 <u>0.206</u>
(iii) Manufactured gas plant cost recovery factor, per therm.....	\$	0.0321

360.00

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

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

4. Make-up gas. If, in any month, the consumer does not take the minimum monthly quantity and as a consequence is required to pay the sum of the non-fuel energy charge and the manufactured gas plant cost recovery factor for natural gas not taken, then and in that event, the consumer shall be entitled to receive from the City without payment of a further non-fuel energy charge and manufactured gas plant cost recovery factor, at any time within the subsequent eleven (11) months, a quantity of make-up gas equal to the quantity paid for but not taken; provided, however, that consumer shall be entitled to receive make-up gas in a subsequent month only if and to the extent that the consumer has actually taken natural gas

1 (excluding any natural gas taken in violation of an interruption or curtailment order)
2 in excess of the minimum monthly quantity during such subsequent month. The
3 minimum monthly quantity shall in each subsequent month be the first natural gas
4 taken. Consumer shall pay the Purchased Gas Adjustment charge applicable to
5 such make-up gas at the time it is taken.
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7 5. Availability. This service is available to consumers in the natural gas service area
8 both within and outside the corporate limits of the City who have executed an
9 Interruptible Gas Service Contract with the City and only to the extent that supplies
10 are available for this service under the City's service contracts with its suppliers.
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12 e. Contract interruptible service rates (§27-272):
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14 1. Base rate. The rates to be charged and collected for natural gas sales on an
15 interruptible basis furnished by the City to consumers for contract interruptible service are
16 hereby fixed as follows:
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- 18 (i) Customer charge, per month, per bill rendered..... \$ ~~351.90~~ 360.00
19 (ii) Energy charge, per therm. A contract rate which is not less than the
20 adjusted current cost of alternative fuel and which is not greater than the
21 sum of the non-fuel energy charge and the manufactured gas plant cost
22 recovery factor for interruptible service. In no event shall the contract rate be
23 less than \$0.00 per therm. The non-fuel energy charge for a consumer not
24 complying with the provisions of section 5(ii) below shall be equal to the sum
25 of the current non-fuel energy charge and the manufactured gas plant cost
26 recovery factor for interruptible service.
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1 2. Minimum Monthly Bill. The minimum monthly bill shall be equal to the customer
2 charge plus a minimum billing volume of natural gas as specified in the contract
3 interruptible service contract.

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5 3. Purchased gas adjustment. (see Section 27-273)

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7 4. Make-up gas. If, in any month, the consumer does not take the minimum monthly
8 quantity and as a consequence is required to pay the sum of the non-fuel energy
9 charge and the manufactured gas plant cost recovery factor for natural gas not
10 taken, then and in that event, the consumer shall be entitled to receive from the City
11 without payment of a further non-fuel energy charge and manufactured gas plant
12 cost recovery factor, at any time within the subsequent eleven (11) months, a
13 quantity of make-up gas equal to the quantity paid for but not taken; provided,
14 however, that consumer shall be entitled to receive make-up gas in a subsequent
15 month only if and to the extent that the consumer has actually taken natural gas
16 (excluding any natural gas taken in violation of an interruption or curtailment order)
17 in excess of the minimum monthly quantity during such subsequent month. The
18 minimum monthly quantity shall in each subsequent month be the first natural gas
19 taken. Consumer shall pay the Purchased Gas Adjustment charge applicable to
20 such make-up gas at the time it is taken.

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22 5. Availability. This service is available to consumers in the natural gas service area
23 both within and outside the corporate limits of the City:

24 (i) who have executed an Contract Interruptible Gas Service Contract with the
25 City; and,

26 (ii) who have completed and submitted a Contract Interruptible Service Affidavit
27 and Agreement form specifying their adjusted current cost of alternative fuel.

1 Such forms shall be submitted monthly, on the first day of each month, and
2 anytime there is a change to information contained in a form previously
3 submitted; and,

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

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

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

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

18	(i) Customer charge, per month, per bill rendered.....	\$ 51.90 <u>360.00</u>
19	(ii) Energy charge, per therm.....	\$ 0.104860 <u>.120</u>
20	(iii) Manufactured gas plant cost recovery factor, per therm.....	\$ 0.0321

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

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

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4. Make-up gas. If, in any month, the consumer does not take the minimum monthly quantity and as a consequence is required to pay the sum of the non-fuel energy charge and the manufactured gas plant cost recovery factor for natural gas not taken, then and in that event, the consumer shall be entitled to receive from the City without payment of a further non-fuel energy charge and manufactured gas plant cost recovery factor, at any time within the subsequent eleven (11) months, a quantity of make-up gas equal to the quantity paid for but not taken; provided, however, that consumer shall be entitled to receive make-up gas in a subsequent month only if and to the extent that the consumer has actually taken natural gas (excluding any natural gas taken in violation of an interruption or curtailment order) in excess of the minimum monthly quantity during such subsequent month. The minimum monthly quantity shall in each subsequent month be the first natural gas taken. Consumer shall pay the Purchased Gas Adjustment charge applicable to such make-up gas at the time it is taken.

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

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

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

1	(i) Customer charge, per month, per bill rendered.....	\$ 7.04 <u>7.15</u>
2	(ii) Energy charge (Non-fuel), per gallon. A contract rate which shall equal the	
3	sum of the current non-fuel energy charge for residential natural gas	
4	customers and one of the following fixed charges as determined by the	
5	general manager for utilities or his/her designee:	
6	A. Three-year recovery, per gallon.....	\$ 0.15
7	B. Five-year recovery, per gallon	\$ 0.10
8	C. Seven-year recovery, per gallon.....	\$ 0.075
9	D. More than seven-year recovery, per gallon	\$ 0.03

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

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

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

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Section 2. It is the intention of the City Commission that the provisions of
20 Section 1 of this Ordinance shall become and be made a part of the Code of
21 Ordinances of the City of Gainesville, Florida, and that the Sections and Paragraphs of
22 this Ordinance may be renumbered or relettered in order to accomplish such intentions.

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

1 **Section 4.** This ordinance shall take effect immediately upon its adoption;
2 provided however, the rates and charges as provided for herein shall be applicable to all
3 monthly bills which are for the first time rendered and postmarked after 12:01 A.M.,
4 October 1, 2007.

5 PASSED and ADOPTED this _____ day _____, 2007.

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Pegeen Hanrahan
Mayor

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12 ATTEST:

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16 _____
Kurt M. Lannon, Jr.
17 Clerk of the Commission

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20 Approved as to form and legality

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24 _____
Marion J. Radson
25 City Attorney

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28 This ordinance passed on first reading this ____ day of _____, 2007.

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31 This ordinance passed on second reading this ____ day of _____, 2007.

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