



Legislation Text

File #: 120597, **Version:** 0

GRU - PURCHASED GAS ADJUSTMENT (B)

Ordinance No. 0-08-54

AN ORDINANCE AMENDING CHAPTER 27, SECTION 27-273, PURCHASED GAS ADJUSTMENT, OF THE GAINESVILLE CODE OF ORDINANCES BY AMENDING THE COMPUTATION OF THE PURCHASED GAS ADJUSTMENT AND DELETING SECTION 27-274; 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.

The City Commission adopt the proposed ordinance.

In the Proposed Budget for the Combined Utilities System, the General Manager made a recommendation to modify the methodology used to calculate the Purchased Gas Adjustment.

Under the existing methodology, winter (October 1 - March 31) and summer (April 1 - September 30) periods are established, each with its own true-up mechanism. If funds are over-collected in the winter season, for example, they will not be returned to the customers until the next winter season, resulting in the utility holding customers' funds for an extended period. A similar situation occurs when an under-collection occurs, whereby the utility is unable to collect funds due until the following year's winter season. Under the proposed methodology, the seasonality will be eliminated and a monthly true up will be applied as needed. Additionally, a Levelization component will be added under the proposed methodology to smooth the natural gas price variability the customers may experience. Section 27-274 will be deleted, as this applies to a true-up factor that will no longer apply under the revised methodology.

The methodology changes will be applied to bills rendered after 12:01 A.M., October 1, 2008.