

ORDINANCE NO. 18-4367

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ALABAMA
as follows:

Section 1. That Subsections (a) and (a.1) of Section 23-231 of the Code of Decatur, Alabama are hereby amended to read as follows:

“(a) *Firm sales service: Residential-Class 30.*

- (1) *Applicability.* This schedule shall apply to all residential customers. Gas service under this schedule shall be firm.
- (2) *Monthly rate.* The monthly charge shall be the sum of the following components:
 - a. A monthly access fee of (\$12.55) beginning with the January 2019 billing cycle, which may be adjusted from time to time, as hereinafter provided.
 - b. A demand charge per one thousand (1,000) cubic feet (MCF) based on the city's average demand cost (see paragraph (5)).
 - c. A commodity charge per MCF based on the city's average commodity cost [see paragraph (5)].
 - d. A mark-up of \$1.4173 per MCF, which may be adjusted from time to time, as hereinafter provided.
- (3) *Minimum bill.* The minimum monthly bill under this rate schedule shall be equal to the access fee.
- (4) *Rules and regulations.* All gas rendered shall be subject to the rules and regulations from time to time promulgated and adopted by the municipal utilities board.
- (5) *Adjustment of rates; contracts for future delivery of gas.* The rate at which the customer is billed will be increased or decreased in proportion to any increase or decrease in the cost of natural gas purchased by the city from its suppliers.

Any such adjustment shall be effective beginning with bills rendered on or after the effective date of such increase or decrease in the charges to the city for natural gas purchased by it from its suppliers.

The average demand cost shall be the city's total gas supply demand cost less any contract pass through calculated as follows. The initial base average demand shall be defined as the total demand costs from pipelines for the period November 1, 2016 through October 31, 2017 less any contract pass through which said initial base average demand amount shall equal two million six hundred sixty-seven thousand dollars (\$2,667,000.00). For each year thereafter, when the average demand is less than the average demand of the base year, the calculated difference will be placed in a gas enhancement fund as more fully defined in subdivision (H) below. If the average demand in any subsequent year is higher than that of the then current base average demand, the higher amount shall become the new base average demand. The total amount in the gas enhancement fund shall not exceed ten million dollars (\$10,000,000.00). Any excess funds above the ten million dollar-limit may be credited to the deferred accounts maintained by the city or used to reduce rates.

The average commodity cost shall be the city's total gas purchase costs consisting of commodity charges, transportation charges, and charges for losses, divided by the total volume of gas purchased by the city.

Notwithstanding any other provision of this division, subject to such limitations as to price and volume as the city council of the city may impose, the municipal utilities board of the city, in its discretion, and from time to time, may enter into contracts to purchase gas for future delivery to or for the use and benefit of a particular customer, a particular class of customers, or particular classes of customers; and, for the purpose of any adjustment of rates under this division, the cost of such gas purchased for future delivery may, at the board's discretion, be used to calculate the adjusted rate of only that customer or class or classes of customers for which such gas was purchased.

- (6) *Accounting for variances in demand and commodity costs.* The city's actual costs of gas vary each month because of its demand/purchase ratio and purchase contract cost adjustment clauses. Any differences in the actual and calculated average demand and commodity costs will be debited or credited each month to deferred accounts maintained by the city for that purpose. Refunds and adjustments from the city's suppliers may be credited to the deferred accounts maintained by the city, used directly in the operation and maintenance of the city's gas system, applied to capital projects, or used to reduce rates.
- (7) *Payment.* Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under the city standard policy.

(a.1) *Firm sales service: Small commercial-Class 32.*

- (1) *Applicability.* This schedule shall apply to small commercial customers whose consumption is less than one hundred (100) MCF per month. Gas service under this schedule shall be firm.
- (2) *Monthly rate.* The monthly charge shall be the sum of the following components:
 - a. A monthly access fee of (\$12.55) beginning with the January 2019 2016 billing cycle, which may be adjusted from time to time, as hereinafter provided.
 - b. A demand charge per one thousand (1,000) cubic feet (MCF) based on the city's average demand cost (see paragraph (5)).
 - c. A commodity charge per MCF based on the city's average commodity cost (see paragraph (5)).
 - d. A mark-up of \$1.4173 per MCF, which may be adjusted from time to time, as hereinafter provided.
- (3) *Minimum bill.* The minimum monthly bill under this rate schedule shall be equal to the access fee.
- (4) *Rules and regulations.* All gas rendered shall be subject to the rules and regulations from time to time promulgated and adopted by the municipal utilities board.
- (5) *Adjustment of rates; contracts for future delivery of gas.* The rate at which the customer is billed will be increased or decreased in proportion to any increase or decrease in the cost of natural gas purchased by the city from its suppliers.

Any such adjustment shall be effective beginning with bills rendered on or after the effective date of such increase or decrease in the charges to the city for natural gas purchased by it from its suppliers.

The average demand cost shall be the city's total gas supply demand cost less any contract pass through calculated as follows. The initial base average demand shall be defined as the total demand costs from pipelines for the period November 1, 2016 through

October 31, 2017 less any contract pass through which said initial base average demand amount shall equal \$2,667,000. For each year thereafter, when the average demand is less than the average demand of the base year, the calculated difference will be placed in a gas enhancement fund as more fully defined in subdivision (H) below. If the average demand in any subsequent year is higher than that of the then current base average demand, the higher amount shall become the new base average demand. The total amount in the gas enhancement fund shall not exceed ten million dollars (\$10,000,000.00). Any excess funds above the ten million dollar (\$10,000,000.00) limit may be credited to the deferred accounts maintained by the city or used to reduce rates.

The average commodity cost shall be the city's total gas purchase costs consisting of commodity charges, transportation charges, and charges for losses, divided by the total volume of gas purchased by the city.

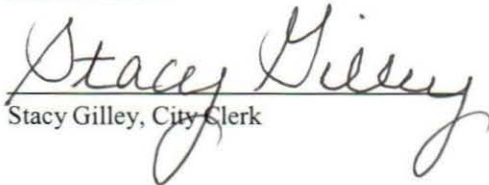
Notwithstanding any other provision of this division, subject to such limitations as to price and volume as the city council of the city may impose, the municipal utilities board of the city, in its discretion, and from time to time, may enter into contracts to purchase gas for future delivery to or for the use and benefit of a particular customer, a particular class of customers, or particular classes of customers; and, for the purpose of any adjustment of rates under this division, the cost of such gas purchased for future delivery may, at the board's discretion, be used to calculate the adjusted rate of only that customer or class or classes of customers for which such gas was purchased.

- (6) *Accounting for variances in demand and commodity costs.* The city's actual costs of gas vary each month because of its demand/purchase ratio and purchase contract cost adjustment clauses. Any differences in the actual and calculated average demand and commodity costs will be debited or credited each month to deferred accounts maintained by the city for that purpose. Refunds and adjustments from the city's suppliers may be credited to the deferred accounts maintained by the city, used directly in the operation and maintenance of the city's gas system, applied to capital projects, or used to reduce rates.
- (7) *Payment.* Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under the city standard policy."

Section 2. This Ordinance shall become effective upon its approval and publication as provided by law.

ADOPTED this 22nd day of January, 2019.

Authenticated:


Stacy Gilley, City Clerk

Approved this 22nd day of January, 2019


Tab Bowling, Mayor