

ORDINANCE NO. 38-1994

AN ORDINANCE FIXING AND DETERMINING THE GENERAL SERVICE RATE TO BE CHARGED FOR SALES OF NATURAL GAS TO RESIDENTIAL AND COMMERCIAL CONSUMERS IN THE CITY OF ABILENE, TAYLOR COUNTY, TEXAS: PROVIDING FOR THE MANNER IN WHICH SUCH RATE MAY BE CHANGED, ADJUSTED, AND AMENDED; APPROVING THE ELIMINATION OF THE RATE SCHEDULE FOR PUBLIC FREE SCHOOLS-N; PROVIDING FOR THE RECOVERY OF ANY CURRENT OR UNRECOVERED PRIOR RATE CASE EXPENSE; PROVIDING FOR A SCHEDULE OF SERVICE CHARGES; AND PROVIDING FOR A MAIN LINE EXTENSION RATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

SECTION 1. Subject to the following provisos and the various provisions set forth in this ordinance, the maximum general service rate for sales of natural gas rendered to residential and commercial consumers within the city limits of Abilene, Texas by Lone Star Gas Company, a division of ENSERCH Corporation, a Texas corporation, its successors and assigns, is hereby fixed and determined as set forth in Item A in the Attachment hereto which is incorporated herein. This ordinance also approves the elimination of the Rate Schedule for Public Free Schools-N and the placement of those customers receiving said rate on the commercial rate set forth in Item A in the attachment hereto.

PROVISO NO. (1): If this ordinance is finally passed and approved before the effective date stated in the Statement of Intent, the new rates shall be effective with gas bills rendered on and after thirty (30) days from the final date of passage of this ordinance for the good cause of reducing regulatory lag.

PROVISO NO. (2): If this ordinance is finally passed and approved on the effective date stated in the Statement of Intent or after a period of suspension, the new rates shall be billable immediately in order to reduce regulatory lag. This provision is an exercise of the regulatory authority's discretion to establish the effective date of rates at any time after jurisdiction attaches, and its authority pursuant to state law to establish rates for any period of suspension.

SECTION 2. The residential and commercial rates set forth above shall be adjusted upward or downward from a base of \$4.0200 per Mcf by a Gas Cost Adjustment Factor expressed as an amount per thousand cubic feet (Mcf) of natural gas for changes in the intercompany city gate rate charge as authorized by the Railroad Commission of Texas or other regulatory body having jurisdiction for gas delivered to the Abilene distribution system, according to Item B, in the Attachment hereto which is incorporated herein.

SECTION 3. The residential and commercial rates set forth above shall be adjusted

upward or downward for changes in taxes and other governmental impositions, rental fees or charges according to Item C, in the Attachment hereto which is incorporated herein.

SECTION 4. In addition to the aforesaid rates, Company shall have the right to collect such reasonable charges as are necessary to conduct its business and to carry out its reasonable rules and regulations. The charges set forth in Items D and E in the Attachment hereto which is incorporated herein, are approved. Services for which no charge is set out may be performed and charged for by Company at a level established by the normal forces of competition.

SECTION 5. In addition to the aforesaid rates, Company is authorized to recover the current and any unrecovered prior rate case expense through a surcharge designed for a six-month nominal recovery period. The surcharge per Mcf will be calculated by dividing the rate case expense to be recovered by one-half of the adjusted annual sales volume to residential and commercial customers. The Company will provide monthly status reports to the City to account for the collection of rate case expense.

SECTION 6. The rates set forth in this ordinance may be changed and amended by either the City or Company in the manner provided by law. Service hereunder is subject to the orders of regulatory bodies having jurisdiction, and to the Company's Rules and Regulations currently on file in the Company's office.

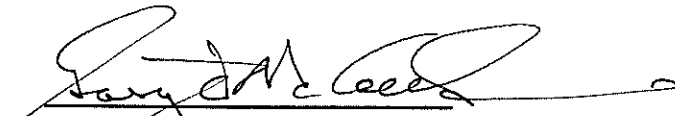
SECTION 7. It is hereby found and determined that said meeting at which this ordinance was passed was open to the public, as required by Texas law, and that advance public notice of the time, place, and purpose of said meeting was given.

PASSED AND APPROVED on the FIRST reading on this the 12 day of May, A. D., 1994

FINALLY PASSED AND APPROVED on the SECOND reading on this the 25 day of August, A.D. 1994

ATTEST:


Secretary


Mayor
City of Abilene, Texas

ATTACHMENT TO ORDINANCE NO. 38-1994
CITY OF ABILENE, TEXAS

LONE STAR GAS COMPANY
TARIFFS & SCHEDULES

ITEM A. RATES

Subject to applicable adjustments, the following rates are the maximum applicable to residential and commercial consumers per meter per month or for any part of a month for which gas service is available at the same location.

Residential:

Customer Charge		\$	8.0000
All Consumption	@		4.6119 Per Mcf

If the service period is less than 28 days in a month the customer charge is \$.2857 times the number of days service. If the consumption contains a portion of an Mcf, a prorata portion of the per Mcf charge will be made.

Commercial

Customer Charge		\$	14.0000
First 20 Mcf	@		5.0361 Per Mcf
Next 30 Mcf	@		4.7361 Per Mcf
Over 50 Mcf	@		4.5861 Per Mcf

If the service period is less than 28 days in a month the customer charge is \$.5000 times the number of days service. If the consumption contains a portion of an Mcf, a prorata portion of the per Mcf charge will be made.

Bills are due and payable when rendered and must be paid within ten days from monthly billing date.

Residential Off-Peak Sales Discount:

An off-peak sales discount of \$.25 per Mcf will apply to residential customers' volume purchased in excess of 8 Mcf for each of the billing months May through October.

ITEM B. GAS COST ADJUSTMENT

Each monthly bill at the above rates shall be adjusted for gas cost as follows:

- (1) The city gate rate increase or decrease applicable to current billing month residential and commercial sales shall be estimated to the nearest \$0.0001 per Mcf based upon:

- (a) The city gate rate estimated to be applicable to volumes purchased during the current calendar month, expressed to the nearest \$0.0001 per Mcf (shown below as "Re"), less
 - (b) The base city gate rate of \$4.0200 per Mcf, multiplied by
 - (c) A volume factor of 1.0002 determined in establishing the above rates for the distribution system as the ratio of adjusted purchased volumes divided by adjusted sales volumes.
- (2) Correction of the estimated adjustment determined by Item B (1) above for the second preceding billing month shall be included as part of the adjustment . The correcting factor (shown below as "C") shall be expressed to the nearest \$0.0001 per Mcf based upon:
- (a) The corrected adjustment amount based upon the actual city gate rate, less
 - (b) The estimated adjustment amount billed under Item B (1) above, divided by
 - (c) Distribution system residential and commercial sales Mcf recorded on the Company's books during the prior year for the month that the correction is included as part of the adjustment.
- (3) The adjustment determined by Item B (1) and Item B (2) above shall be multiplied by a tax factor of 1.06276 to include street and alley rental and state occupation tax due to the change in Company revenues under this gas cost adjustment provision.

In summary, the gas cost adjustment (GCA) shall be determined to the nearest \$0.0001 per Mcf by Item B (1), Item B (2) and Item B (3) as follows:

$$\text{GCA} = [\text{Item B (1)} + \text{Item B (2)}] \times \text{Item B (3)}$$

$$\text{GCA} = [(1.0002) (\text{Re} - \$4.0200) + \text{C}] \times 1.06276$$

ITEM C. TAX ADJUSTMENT

Each monthly bill, as adjusted above, shall be adjusted by, an amount equivalent to the proportionate part of any new tax, or any tax increase or decrease, or any increase or decrease of any other governmental imposition, rental fee or charge (except state, county, city and special district ad valorem taxes and taxes on net income) levied, assessed or imposed subsequent to July 1, 1993 upon or allocable to the Company's distribution operations, by any new or amended law, ordinance or contract.

ITEM D. SCHEDULE OF SERVICE CHARGES

(1) Inauguration of Service

In addition to the charges and rates set out above, the Company shall charge and collect the sum of:

<u>Schedule</u>		<u>Charge</u>
8 A.M. to 5 P.M. Monday through Friday	\$	27.50
5 P.M. to 8 A.M. Monday through Friday		41.25
Saturdays, Sundays and Holidays		41.25

For each reconnection of gas service where service has been discontinued at the same premises for any reason, and for each new inauguration of service when the billable party has changed, with the following exceptions:

- (a) For a builder who uses gas temporarily during construction or for display purposes.
- (b) For the first occupant of the premises.
- (c) Whenever gas service has been temporarily interrupted because of system outage, service work or appliance installation done by Company; or
- (d) For any reason deemed necessary for Company operations.

(2) Returned Check Charges

A returned check handling charge of \$13.75 is made for each check returned to the Company for reasons of non-sufficient funds, account closed, payment withheld, invalid signature, or improper preparation.

ITEM E. MAIN LINE EXTENSION RATE

The charge for extending mains beyond the free limit established by Lone Star Gas Company, or any free limit established by franchise, for bona fide residential customer shall be the lesser of: (a) the system-wide average cost of construction, including all overheads, for the prior fiscal year or (b) the adjusted actual cost as determined by applying the latest Handy-Whitman Index to the 1975 actual base cost of \$2.94. A bona fide residential customer uses gas for heating and water heating, or the equivalent load thereof, at a minimum. Residential customers other than bona fide residential customers shall pay actual cost for main line extensions beyond the free limit. The Company shall file the calculation of such charge with the city as soon as sufficient data is available each fiscal year. Extension to commercial and industrial customers shall be based on actual cost per foot.