

ORDINANCE NO . 86-3

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 CUMBY, HOPKINS COUNTY, TEXAS: PROVIDING FOR THE MANNER IN WHICH SUCH RATE MAY BE CHANGED, ADJUSTED, AND AMENDED, AND PROVIDING FOR THE RECOVERY OF ANY CURRENT AND UNRECOVERED PRIOR RATE CASE EXPENSE, PROVIDING FOR A SCHEDULE OF SERVICE CHARGES, PROVIDING FOR A COST OF SERVICE ADJUSTMENT FACTOR, AND PROVIDING FOR A MAIN LINE EXTENSION RATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF CUMBY, TEXAS:

J.N.S

SECTION 1. Effective with gas bills rendered on and after thirty (30) ^{PAR} days from the final date of passage of this ordinance, the maximum general service rate for sales of natural gas rendered to residential and commercial consumers within the City limits of Cumby, 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.

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 intracompany city gate rate charge as authorized by the Railroad Commission of Texas or other regulatory body having jurisdiction for gas delivered to the Cumby distribution system, according to Item B, in the Attachment hereto which is incorporated herein.

SECTION 3. Company shall also receive tax adjustments 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 in effect. 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 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 account for the collections.

SECTION 6. The residential and commercial rates set forth above shall be adjusted upward or downward by a Cost of Service Adjustment Factor expressed as an amount per customer for changes in the cost of service over a twelve month period ending December 31, according to Item F, in the Attachment hereto which is incorporated herein.

SECTION 7. 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 8. It is hereby found and determined that the 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 this the 6th day of May,
A.D. 1986.

ATTEST:

Jerry E. Mattison
Secretary

James Stubble
Mayor
City of Cumby, Texas

STATE OF TEXAS X
 X
COUNTY OF HOPKINS X

I, Jerry Mattison, Secretary of the City of Cumby, Hopkins, County, Texas, hereby certify that the above and foregoing is a true and correct copy of an ordinance passed and approved by the City Commission of the City of Cumby at a regular session held on the 6th day of May, 1986, as it appears of record in the Minutes of said City in Book _____, Page _____.

WITNESS MY HAND AND SEAL OF SAID CITY, this the 6th day of May, A.D. 1986.

Jerry E. Mattison
Secretary
City of Cumby, Texas

ATTACHMENT TO ORDINANCE NO. 86-3

CITY OF CUMBY, TEXAS

LONE STAR GAS COMPANY
TARIFFS & SCHEDULES

Item A. Rates

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. Summer rates shall be applicable between the meter reading dates in May and October. Winter rates shall be applicable at all other times.

Residential:	<u>Winter</u>	<u>Summer</u>
Customer Charge	\$6.5000	\$4.5000
All Consumption @	6.4402 Per Mcf	6.0902 Per Mcf

If the service period is less than 28 days in the winter months, the winter customer charge is \$.2321 times the number of days service.

If the service period is less than 28 days in the summer months, the summer customer charge is \$.1607 times the number of days service.

Commercial:	<u>Winter</u>	<u>Summer</u>
Customer Charge	\$10.5000	\$6.5000
All Consumption @	6.4402 Per Mcf	6.0902 Per Mcf

If the service period is less than 28 days in the winter months, the winter customer charge is \$.3750 times the number of days service.

If the service period is less than 28 days in the summer months, the summer customer charge is \$.2321 times the number of days service.

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

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) A volume factor of 1.0526 determined in establishing the above rates for the distribution system as the ratio of adjusted purchased volumes divided by adjusted sales volumes.
 - (b) 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").
 - (c) The base city gate rate of \$4.0200 per Mcf.

- (2) Correction of the estimated adjustment determined by Item B (1) above shall be included as part of the adjustment for the second following billing month. 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 1.01931 to include street and alley rental and state occupation tax due to increasing 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:

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

$$\text{GCA} = [(1.0526) (\text{Re} - \$4.0200) + \text{C}] \times 1.01931$$

Item C. Tax Adjustment

The tax adjustment shall be an amount equivalent to the proportionate part of any new tax, or increased tax, or 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, 1985, 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) Reconnect Charge

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	\$25.00
5 P.M. to 8 A.M. Monday through Friday	40.00
Saturdays, Sundays and Holidays	40.00

as a reconnect charge for each reconnection or reinauguration of gas service, where service has been discontinued at the same premises for any reason, 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 \$7.50 is made for each check returned to the Company for reasons of non-sufficient funds, account closed, payment withheld, invalid signature, or improper preparation.

(3) Collection Charge

A charge of \$7.00 shall be made for each instance when it is necessary for a company employee to go to a customer's residence or place of business in order to collect amounts owed the Company for gas service previously rendered. This charge shall not apply if service is terminated at the time of the collection action. This charge shall apply to only one trip on the same amount owed.

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 residential customers 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. 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.

Item F. Cost of Service Adjustment

Each monthly bill for residential and commercial gas service shall be adjusted for changes in the cost of providing such service as follows:

- (1) Effective with bills rendered for the month of May, 1987 and annually effective each May thereafter, the residential and commercial monthly rate shall be adjusted for changes in the cost per customer of providing gas service (including depreciation but excluding cost of gas, gross receipts taxes, income taxes, and return) for the previous year ended December 31 above or below such cost incurred in the second prior calendar year. These annual adjustments shall be cumulative. The operating expenses used in calculating the adjustments shall be for the applicable distribution system as reported to the Railroad Commission of Texas in the annual report of Lone Star Gas Company.

Should the percentage change in the cost of service per customer of providing gas service exceed the rate of change in the Implicit Price Deflator of the Gross National Product over the same period of time, the adjustment will be limited to a maximum change computed by multiplying the cost of service per customer of providing gas service in the second prior calendar year ended December 31 by the rate of change in the Implicit Price Deflator of the Gross National Product. The adjustment per bill shall be rounded to the nearest whole cent.

- (2) The adjustment determined by (1) above shall be multiplied by the same tax factor used in calculating the gas cost adjustment contained herein to include street and alley rental and state occupation tax due to increasing or decreasing Company revenues under this cost of service adjustment provision.