

ORDINANCE NO. 2013-05

AN ORDINANCE ESTABLISHING THE RATES NATURAL GAS DISTRIBUTION RATES OF NATURAL GAS COMPANY, LLC IS ALLOWED PURSUANT TO ITS NEED TO PROVIDE A CONTINUING SUPPLY OF GAS TO THE CITIZENS OF BEACH CITY IN AN EMERGENCY; ADOPTING SPECIFIC STANDARDS RELATING TO THE PROVISION OF NATURAL GAS; AMENDING THE PRESENT FRANCHISE AGREEMENT WITH NATURAL GAS COMPANY, LLC; AND ORDERING ALL RATES, SERVICE CHARGES; AND TARIFF LANGUAGE NOT INCONSISTENT TO REMAIN OPERATIVE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

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WHEREAS, the City of BEACH CITY, Texas (City) is a regulatory authority under the Gas Utility Regulatory Act ("GURA") and has original jurisdiction over the gas utility rates of NATURAL GAS COMPANY, LLC (the "Company"); and

WHEREAS, the City has the authority under §§ 103.001 and 104.151, GURA, to determine whether the existing rates of a gas utility are unreasonable or in any way in violation of any provision of law; and

WHEREAS, the Company experienced an interruption of its natural gas supply creating an immediate need to provide the citizens with an alternative natural gas and

WHEREAS, the Company incurred extraordinary costs in providing natural gas to the citizens as a consequence of the interruption of gas supply; and

WHEREAS, the City in the interest of its citizens has in cooperation with the Company established new regulations and guidelines for the provision of natural gas to its citizens to help curb future outages of a supply of natural gas; and

WHEREAS, the City through cooperative efforts with the Company has reviewed the franchise agreement and the need to provide any uninterrupted supply of natural gas within

the City; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF  
THE CITY OF BEACH CITY, STATE OF TEXAS:**

**SECTION 1.** That the Company is allowed pursuant to the Gas Utility Regulatory Act ("GURA") to recover its costs incurred as a result of the need to provide an emergency supply of natural gas in the sum of approximately \$60,000.00

**SECTION 2.** That this amount be charged off to the customers for period of twenty-four (24) months.

**SECTION 3.** That no interest be levied upon that amount.

**SECTION 4.** All future billings be clearly itemized showing the charge being assessed to the customer each month.

**SECTION 5.** That a contingency plan be initiated whereby Natural Gas maintains throughout the term of the franchise agreement at least (2) natural pipeline gas providers who will provide an uninterrupted supply of gas via a pipeline with a contractual agreement for this purpose.

**SECTION 6.** That in the event of another such occurrence, the Company shall notify the City and its customers of the incident and the process to rectify same within three (3) days of the event or upset.

**SECTION 7.** That quality testing of the gas components be performed (6) month from the date of this agreement, and that such testing be performed thereafter annually. Further, if suppliers change, Company shall test at the beginning of the new gas being placed into the system. The Company shall provide the City with reports of each such testing with (10) days of receipt of the results of such a report.

**SECTION 8.** That Quarterly Reports showing Usage & Collections to be sent to the city along with the franchise payment.

**SECTION 9.** That the existing franchise language not inconsistent herewith shall remain operative.

**SECTION 10.** That a copy of this Ordinance shall be sent to the Company, 2215 A McDuffie Street, Houston, Texas 77019.

**SECTION 11.** That this Ordinance shall become effective immediately from and after its passage, as the law and charter in such cases provide.


**SECTION 12.** That it is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

**SECTION 13.** In the event any clause phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Beach City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.


PASSED AND APPROVED on first reading this 24th day of September, 2013.

  
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BILLY COMBS, Mayor

ATTEST TO:

  
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EVONNE DONNELLY,  
City Secretary

APPROVED AS TO FORM ONLY:

  
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DANIEL R. JACKSON, City Attorney