

ORDINANCE NO. 2013-02

AN ORDINANCE FINDING THAT THE EXISTING NATURAL GAS DISTRIBUTION RATES OF THE NATURAL GAS COMPANY, LLC SHOULD BE INCREASED; ADOPTING SPECIFIC NEW RESIDENTIAL RATES AND ORDERING ALL RATES, SERVICE CHARGES AND TARIFF LANGUAGE NOT INCONSISTENT WITH ATTACHMENT A TO REMAIN OPERATIVE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

* * * * *

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 THE 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, on January 21, 2013, the City suspended the effective date of the company's requested rate change; and

WHEREAS, the Company filed its rate filing package with the City on or about January 19, 2013; and

WHEREAS, the City obtained additional information from the Company through requests for information; and

WHEREAS, the City through cooperative efforts with the Company has reviewed the rate filing package and responses to information requests and have made a recommendation to the City regarding the rates to be charged by the Company within the City; and

WHEREAS, on March 26, 2013, a public hearing was held, at which time the Company and citizens was given an opportunity to address the City Council regarding its current rates; and

WHEREAS, GURA §104.151 (a) provides that if a regulatory authority, on its own motion or on complaint by an affected person, after reasonable notice and hearing, finds that the existing rates of a gas utility for a service are unreasonable or in violation of law, the regulatory authority shall enter an order establishing the just and reasonable rates to be observed thereafter, and serve a copy of the order on the gas utility; and

WHEREAS, GURA § 104.151(b) provides that the rates thus ordered by the regulatory authority constitute the legal rates of the gas utility until changed as provided by GURA; and

WHEREAS, after affording reasonable notice and hearing to the Company, it is the City's opinion that the Company's rates requested are not reasonable; and

WHEREAS, based upon such hearing, and the council's findings, the City has made a determination of the reasonableness of the existing rates of the Company, and has determined just and reasonable rates to be hereafter observed and enforced for all services of the Company within the City;

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

SECTION 1. That the Company was given reasonable notice of the hearing held on March 26, 2013, and the Company had a reasonable opportunity to show to the City that its rates were just and reasonable.

SECTION 2. That the Company failed to show that its requested rate increases are just or reasonable.

SECTION 3. That the rates set forth on Attachment "A" to this Ordinance, which attachment shall be incorporated herein as if it were fully set forth herein, are just and reasonable rates:

a. The rates set forth in Attachment "A" establish the Company's overall revenues at an amount that will permit the Company a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of the Company's reasonable and necessary operating expenses, in compliance with GURA § 104.051; and

b. The rates set forth in Attachment "A" do not yield more than a fair return on the adjusted value of invested capital used and useful in providing service to the public, in compliance with GURA § 104.052.

SECTION 4. That the Company shall immediately begin charging the rates set forth on Attachment "A" hereto.

SECTION 5. That the existing rates, service charges and tariff language not inconsistent with Section 4 and Attachment A shall remain operative.

SECTION 6. That the City is authorized to intervene in any appeal of the City's action filed at the Railroad Commission of Texas and to otherwise participate in any litigation associated with the Company's rates charged in the City.

SECTION 7. That a copy of this Ordinance shall be sent to the Company, 2115 A McDuffie Street, Houston, Texas 77019.

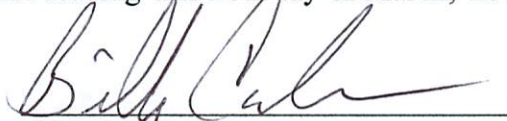
SECTION 8. That this Ordinance shall become effective immediately from and after its passage, as the law and charter in such cases provide.

SECTION 9. 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 10. 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 26th day of March, 2013.


BILLY COMBS, Mayor

ATTEST:


EVONNE DONNELLY,
Interim City Secretary

APPROVED AS TO FORM ONLY:


DANIEL R. JACKSON, City Attorney

Attachment A
The Natural Gas Company, LLC
Ordered Rates

The monthly rate for each customer receiving service shall be the sum of the following:

- 1 The Base Rate consisting of:
 - a. Customer Charge - \$16.50 per month (minimum monthly bill)
 - b. Commodity Charge - \$0.50 per CCF used
- 2 Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically.
- 3 Gas Cost Adjustment – The applicable Purchase Gas Adjustment (PGA) Rate – as calculated on a per CCF basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.
- 4 Pipeline Safety inspection fee – Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211
- 5 Franchise Fee – Two Percent (2%) of the net monthly rate plus the gas cost adjustment and the pipeline safety inspection fee.

Miscellaneous Service Charges

Institution of Service	\$	40.00
Institution of Service when customer used gas before application is made	\$	15.00
Restore Service after termination for non-payment	\$	50.00
Restore Service after termination for non-payment if after hours	\$	150.00
Restore Service after cut off by customer or agent	\$	25.00
Turning on/off service (per trip)	\$	25.00
Additional trip required to turn on service, after second trip with no one home	\$	25.00
Change meter for special test at customer's request	\$	20.00
Replace damaged stopcock, including cost of valve	\$	30.00
Rebuild meter installation damaged by someone other than Company requiring construction crew (per hour, one hour minimum) + materials	\$	150.00
Rebuild meter installation damaged by someone other than Company NOT requiring construction crew (per hour, one hour minimum) + materials	\$	75.00
Change residential meter location Minimum Charge + materials	\$	50.00
Change residential meter location additional meters in manifold	\$	25.00
Repair damaged meters and regulators, damage to top cover and/or index + materials	\$	50.00
Repair damaged meters and regulators, damage in excess to top cover and/or index + materials	\$	75.00
Repair damaged meters and regulators: Damage to regulator + materials	\$	25.00
Reroute or extend yard lines under normal condition 1 1/4" or smaller (per foot)	\$	8.50
Installation and extension of new mains, yard and service lines under normal conditions: (see Manager or Operating Manager for additional charges for special conditions as pavements, landscaped area, ect.) Mains not larger than 2" or yard lines greater than 1-1/4" (per foot)	\$	8.50
Meter Installation Charge: Company may charge \$480 for the installation of a tap and meter to either a resident or commercial property which may be otherwise uneconomical. Customer will have the option to pay this fee in full or in twelve monthly installments.	\$	480.00
<u>Other charges for service work on customers installations;</u>		<u>Per Hour Cost</u>
Regular Hours (One Hour Minimum, each one-half hour, or part there of, \$50.00)	\$	100.00
After Hours (One Hour Minimum)	\$	150.00
Saturday, Sunday, Holidays (One Hour Minimum)	\$	250.00
After Hour Call outs (One Hour Minimum, each one-half hour, or part there of, \$125.00)	\$	250.00
after hour call outs per hour	\$	250.00
Collection call - per trip charge	\$	25.00
Return check charge	\$	30.00
Payment by credit card		5% of the amount
Residential customer deposit if a billing history is not available (Rule 11 (C)(1))		Greater of three months estimated bill or \$150.00
Apartment with all individual meters under the same name - if the name is changed on the regular reading		\$ 5.00 Per Meter Minimum of \$25.00