

ORDINANCE AMENDING NATURAL GAS SERVICE RATES AND CHARGES

**SUMMARY:** ORDINANCE AMENDING ORDINANCE NO. 06-2009 BY ESTABLISHING NEW NATURAL GAS SERVICE RATES AND CHARGES

WHEREAS, Section 23-97 of the Code of Ordinances provides that all rates and charges for municipal utilities shall be determined from time to time by the Board of Commissioners and kept on file in the Office of the City Clerk; and

WHEREAS, Ordinance No. 06-2009 established rates and charges for natural gas service, which shall be amended herewith; and

WHEREAS, the City Manager recommends amendment of the rates and charges for natural gas service as proposed herein.

NOW, THEREFORE, BE IT ORDAINED by the City of Henderson, Kentucky that Ordinance No. 06-2009, Establishing Natural Gas Service Rates and Charges, is hereby amended as follows:

**CITY OF HENDERSON, KENTUCKY  
NATURAL GAS RATES AND CHARGES**

**Section I. Residential Sales Service**

Applicable for service to any Residential customer located within the city limits of or adjacent to certain areas directly served by the City of Henderson:

1. Monthly Customer Charge: A Monthly Customer Charge of ~~\$12.00~~ \$12.50 shall be assessed each month.
2. Rate: per 1,000 cubic feet, plus the delivered cost of gas:

	<del>\$2.25</del>	<u>\$2.30</u>	<u>Beginning On:</u>
		<u>\$2.35</u>	Jan 1 <sup>st</sup> 2014
		<u>\$2.40</u>	Jan 1 <sup>st</sup> 2015
		<u>\$2.45</u>	Jan 1 <sup>st</sup> 2016
			Jan 1 <sup>st</sup> 2017

**Section II. Commercial Sales Service**

Applicable for service to any Commercial customer located within the city limits of or adjacent to areas served directly by the City of Henderson:

1. Monthly Customer Charge: A Monthly Customer Charge shall be assessed each month as follows:
  - A. Up to 500,000 cubic feet per year and a connected load less than 500,000 Btu per hour: ~~\$15.00~~ \$16.00 per month
  - B. Above 500,000 cubic feet per year or a connected load greater than 500,000 Btu per hour: ~~\$35.00~~ \$36.75 per month.
2. Rate: per 1,000 cubic feet, plus the delivered cost of gas:

	<u>Effective Date:</u>	<u>1/1/14</u>	<u>1/1/15</u>	<u>1/1/16</u>	<u>1/1/17</u>
Up to 500,000 cubic feet per month:		<u>\$2.25</u>	<u>\$2.30</u>	<u>\$2.35</u>	<u>\$2.40</u>
Next 4,500,000 cubic feet per month:		<u>\$0.50</u>	<u>\$0.60</u>	<u>\$0.70</u>	<u>\$0.80</u>
Above 5,000,000 cubic feet per month:		<u>\$0.25</u>	<u>\$0.25</u>	<u>\$0.26</u>	<u>\$0.28</u>

**Section III. Industrial Sales Service**

Applicable for service to any Industrial customer located within the city limits of or adjacent to areas directly served by the City of Henderson. For purposes of this Section, an Industrial customer shall be defined as a customer having a "Manufacturing" category designation in the North American Industry Classification System (NAICS) manual as published by the US Government, Office of Management and Budget.



2. Rate: per 1,000 cubic feet, plus the delivered cost of gas to the City of Henderson:

	<u>Effective Date:</u>	<u>1/1/14</u>	<u>1/1/15</u>	<u>1/1/16</u>	<u>1/1/17</u>
A. Residential:	<u>\$2.25</u>	<u>\$2.30</u>	<u>\$2.35</u>	<u>\$2.40</u>	<u>\$2.45</u>
B. Commercial:					
Up to 500,000 cubic feet per month:	<u>\$2.25</u>	<u>\$2.30</u>	<u>\$2.35</u>	<u>\$2.40</u>	<u>\$2.45</u>
Next 4,500,000 cubic feet per month:	<u>\$0.50</u>	<u>\$0.60</u>	<u>\$0.70</u>	<u>\$0.80</u>	<u>\$0.90</u>
Above 5,000,000 cubic feet per month:	<u>\$0.25</u>	<u>\$0.25</u>	<u>\$0.26</u>	<u>\$0.27</u>	<u>\$0.28</u>

C. A ten-cent (\$0.10) surcharge shall be assessed for each 1,000 cubic feet of gas sold within the city limits of the City of Corydon, Kentucky under this section to be paid to the City of Corydon.

**Section VII. Cost of Gas Adjustment**

Any change in the costs or charges billed by the natural gas supplier(s) or provider(s) of interstate transportation service to the City shall automatically be reflected by a like change in the rates charged hereunder on a monthly basis or as allocated for actual costs, as adjusted for the City's average uses, metering and line losses, and previous months' actual costs or charges, without further action of the Board of Commissioners.

**Section VIII. Public Energy Authority of Kentucky Trust Rebate**

One hundred percent (100%) Fifty percent (50%) of all annual rebates received from the Public Energy Authority of Kentucky Trust (PEAK) shall be distributed over the next succeeding five-month winter period (November through March) as a per unit credit to be applied against monthly billings directed to the Gas Fund. ~~These rebates shall be universally credited to Sales Service customers only.~~ The final rebate from each PEAK bond series shall be directed to the Gas Fund. Customers will receive PEAK rebate through the end of the December 2013 read cycles.

**Section IX. Developmental Service**

A prospective natural gas customer seeking to initiate service with the City and having a minimum anticipated natural gas requirement of 500,000 Mcf per year may enter into a mutual agreement with the City to establish, by written contract not to exceed eighteen (18) months, a developmental rate as an inducement for becoming a City Sales Service or Local Transportation Service customer provided a Developmental Service Agreement acceptable to the City Manager is executed by the customer.

**Section X. Effective Date**

The rates and charges for natural gas service established in this ordinance shall become effective for all billings printed on and after ~~June 1, 2009~~ January 1, 2014 except that the PEAK rebate will complete with the last meter read cycle for December 2013.

All ordinances or parts of ordinances in conflict herewith are hereby repealed and superseded to the extent of such conflict.

This ordinance shall become effective upon its legal adoption.

On first reading of the foregoing ordinance, it was moved by Commissioner \_\_\_\_\_ seconded by Commissioner \_\_\_\_\_, that the ordinance be adopted on its first reading. On roll call the vote stood:

Commissioner Mills:	_____	Commissioner Davis	_____
Commissioner Hite:	_____	Mayor Austin:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Austin declared the ordinance adopted on first reading and ordered that it be presented for second reading at a meeting of the Board of Commissioners.

On second reading of the ordinance, it was moved by Commissioner \_\_\_\_\_ seconded by Commissioner \_\_\_\_\_, that the ordinance be adopted.

On roll call the vote stood:

Commissioner Mills:	_____	Commissioner Davis	_____
Commissioner Hite:	_____	Mayor Austin:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Austin declared the ordinance adopted, affixed his signature and the date and ordered that it be recorded.

\_\_\_\_\_  
Steve Austin, Mayor  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Carolyn Williams, City Clerk

**APPROVED AS TO FORM AND  
LEGALITY THIS \_\_\_\_ DAY OF  
NOVEMBER, 2013.**

By: \_\_\_\_\_  
Dawn S. Kelsey  
City Attorney