Agenda Item Number

CITY COUNCIL AGENDA ITEM COVER MEMO

FOR AGENDA OF COUNCIL MEETING/WORK SESSION - DATE : March 14, 2013

ACTION REQUESTED BY: Huntsville Utilities

COUNCILMEMBER: **DISTRICT:**

SUBJECT MATTER : Amendment to Ordinance 03-248

EXACT WORDING FOR AGENDA: Introduction of an ordinance amending Ordinance No. 03-248 for the addition of the Fueling Station Transportation Rate Schedule. (Utilities: Gas)

ORDINANCE: X **RESOLUTION:** **MOTION:**

(IF AMENDMENT, STATE TITLE AND NUMBER OF ORIGINAL): N/A

ITEM IS TO BE CONSIDERED FOR:

INTRODUCTION: X **ACTION:** **DISCUSSION:**

UNANIMOUS CONSENT REQUIRED? No

BRIEFLY STATE WHY THE ACTION IS REQUESTED; WHY IT IS RECOMMENDED OR NOT RECOMMENDED; WHAT COUNCIL ACTION WILL PROVIDE, ALLOW, OR ACCOMPLISH; ANY ASSOCIATED COST; BUDGETED (?); AND ANY OTHER INFORMATION THAT YOU THINK MIGHT BE HELPFUL. This ordinance allows for the addition for a Fueling Station Transportation Rate. This is a compressed natural gas rate for customers requesting natural gas for retail purposes via compressed natural gas fueling stations.

MAYOR RECOMMENDS OR CONCURS? YES _____ **NO** _____ **N/A** _____

SIGNATURE: **William C. Pippin, President & CEO** **DATE:** February 26, 2013

ORDINANCE NO. 13-___

BE IT ORDAINED, by the City Council of the City of Huntsville, Alabama, that the Code of Ordinances of the City of Huntsville, adopted April 24, 2003, by Ordinance number 03-248, as last amended, be and the same is hereby amended to read as follows:

ARTICLE III. NATURAL GAS SERVICE.

Section 26-469 is hereby added by way of amendment.

SECTION 26-469. FUELING STATION TRANSPORTATION RATE SCHEDULE.

(a) Availability. This transportation schedule is available to all customers contracting to transport not less than 15,000 cubic feet per day of natural gas as metered by Huntsville Gas Systems that will be sold by the customer for use in fueling motor vehicles and other equipment and vehicles that utilize natural gas as a fuel. The natural gas under this schedule is to be used as and for a fueling station for motor vehicles and other equipment and vehicles that utilize natural gas as a fuel and shall not be used, resold, or shared with any other person or entity, except as set forth herein. Transportation service under this schedule may be interrupted for any cause as determined by the city. 1,000 cubic feet = 1 Mcf.

(b) Applicability. The customer will be responsible for gas supply and transportation on all upstream pipelines for delivery of the customer's natural gas to the city gas systems city gate station, together with all associated costs.

(c) Transportation Rate. A service charge of $200.00 Dollars per month plus:

Daily Transportation Volume (Mcf)	Rate (Mcf)
15 Mcf to 99 Mcf	$1.80

(d) Payment. The above rates are net. If any bill is not paid on or before the date shown on the bill, there will be added to the bill an amount equal to five percent on the first $250.00 of the bill plus one percent on any portion of the bill exceeding $250.00. To any amount remaining unpaid 30 days after the date of the bill, there will be added a penalty of one percent, and an additional one percent will be added at the end of each successive 30-day period until the amount is paid in full. Should the final date for payment of the bill at the net rates fall on a Sunday or a holiday, the business day next following the final date will be held as a day of grace for delivery of payment. Net rate remittance received by mail after the time for payment of the net rates will be accepted by the city, if the incoming envelope bears

United States Postal Service date stamp of the final date for payment of the net amount, or any date prior thereto.

(e) Single point delivery. The above rates are based upon the supply of service to the customer's premises through a single delivery and metering point, and at a single pressure. Separate supply for the same customer at other points of consumption, or at different pressures, will be separately metered and billed.

(f) Rules and Regulations. Service under this schedule will be subject to the rules and regulations of the city's natural gas system.

(g) Contract Terms. The term of the contract under this schedule will be by agreement of the parties.

(h) Transportation Rate Adjustment. Recognizing that rates charged for transportation services are determined by the cost of agreements and contracts with pipeline suppliers, whereby capacity received by the city is to be paid for whether the contract capacity is fully utilized and such fixed cost is to be factored into the cost of gas delivered to the customers of the city's natural gas distribution system, and that the rates charges for transportation service are to be adjusted which has been necessitated by pipeline contracts being revised which will cause the rates or charges for transportation service to fluctuate, it is therefore determined that adjustments to the transportation rates and charges as set forth in Section 26-469 will be necessary and that all adjustment, changes, or amendments from time to time deemed necessary will be made by the city gas utility board to assure that cost of transportation services and other costs charged to customers that utilize transportation rate schedule will compensate the city's natural gas system for all costs and expenses that it has and will be incurring in having gas pipeline capacity service being made available to the city's natural gas system which transportation service can be made available to customers as set forth in this division.

All other provisions of the above ordinances not specifically changed or amended shall remain unaltered, and shall remain in full force and effect.

BE IT FURTHER ORDAINED by the City Council of the City of Huntsville, Alabama, that this ordinance shall take effect immediately after passage.

ADOPTED this _____ day of _____, 2013.

_____
President of the City Council of
the City of Huntsville, Alabama

APPROVED this _____ day of _____, 2013.

_____
Mayor of the City of Huntsville,
Alabama