

**CITY COUNCIL AGENDA ITEM COVER MEMO**

**FOR AGENDA OF COUNCIL MEETING/WORK SESSION - DATE:** December 3, 2015

**ACTION REQUESTED BY:** Huntsville Utilities

**COUNCILMEMBER: ALL          DISTRICT: ALL**

**SUBJECT MATTER:**          City Code Ordinance Revisions

**EXACT WORDING FOR AGENDA:** Introduction of an Ordinance amending Chapter 26, Article III Natural Gas Service of the City of Huntsville Code of Ordinances consisting of 21 sections to be amended. Attached is a breakdown of these 21 sections. (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?**

**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.**

Update Ordinances to match current Customer Care practices.

**MAYOR RECOMMENDS OR CONCURS? YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_**

**SIGNATURE:    Jay C. Stowe, President & CEO**

**DATE: November 24, 2015**

List of Ordinances to amend Chapter 26, Article III Natural Gas Service of the City of Huntsville Code of Ordinances:

**DIVISION 2. - METERS, BILLS AND COLLECTIONS**

- Sec. 26-423. - When consumers to be billed.
- Sec. 26-426. - Right of entry.
- Sec. 26-430. - Resumption of service.
- Sec. 26-433. - Underground utility damage prevention program.

**DIVISION 3. - RATES AND CHARGES**

- Sec. 26-452. - Allocations, prorations and penalties.
- Sec. 26-453. - Deposit and rate adjustment.
- Sec. 26-454. - Commercial and industrial firm gas rate schedule, class 00.
- Sec. 26-455. - School and college interruptible rate schedule, class 9.
- Sec. 26-456. - Industrial interruptible rate schedule, class 10.
- Sec. 26-457. - Industrial interruptible rate schedule, class 11.
- Sec. 26-458. - Industrial interruptible rate schedule, class 12.
- Sec. 26-459. - Industrial interruptible rate schedule, class 13.
- Sec. 26-460. - Industrial interruptible rate schedule, class 14.
- Sec. 26-462. - Industrial firm and interruptible schedule, class 16.
- Sec. 26-463. - Residential rate schedule, class 22.
- Sec. 26-464. - Small nonresidential rate schedule, class 35.
- Sec. 26-465. - Industrial transportation rate schedule, class 37.
- Sec. 26-466. - Industrial transportation rate schedule, class 38.
- Sec. 26-467. - Industrial transportation rate schedule, class 39.
- Sec. 26-468. - Industrial transportation rate schedule, class 40.
- Sec. 26-469. - Fueling station transportation rate schedule.

Ordinance No. 15-\_\_\_\_\_

**BE IT ORDAINED** by the City Council of the City of Huntsville, Alabama, that Chapter 26, Article III (Natural Gas Service) of the Code of Ordinances, City of Huntsville, Alabama, is hereby amended to read as follows:

NATURAL GAS SERVICE

**DIVISION 2. - METERS, BILLS AND COLLECTIONS**

**Sec. 26-423. - When consumers to be billed.**

(a)

A statement shall, as soon as practicable after the meter is read, be either mailed or electronically delivered to each customer of gas furnished by the city to the occupant of the house, building or premises where such gas service is furnished, which statement shall show the quantity of gas consumed by such customer or consumer for the next preceding 30 days, and the amount due.

(b)

In the case of the first billing of new accounts and final billings of all accounts where the period covered involves fractions of a month, the minimum charges shall be adjusted to a basis proportionate with the period of time during which service was furnished.

(c)

Any consumer requiring service shall be required to pay the minimum per-month charge.

*(Code 1982, § 17-48)*

**Sec. 26-426. - Right of entry.**

(a)

Where a gas meter is located on private property and is connected with the city gas distribution system for service, the city shall at all times have the right and authority by and through its agent, servant, officer or employee to go upon and enter such premises for the purpose of reading the gas meter, or to cut on or off the gas or gas service, or to perform any necessary maintenance to the gas meter and other equipment owned by the city on such premises, as it deems necessary.

(b)

Where any property owner or tenant refuses to allow the city, or its properly authorized agent, servant, officer or employee to enter such premises for the purposes set out in this section, the

city shall have the right and authority to cut off the gas or gas service from such premises at any other place. Service shall not be restored until the property owner or tenant shall have caused the gas meter to be removed and placed, ready for service, at whatever place the city shall designate. The city shall not be liable for cutting off the gas or gas service upon such premises.

(Code 1982, § 17-51)

**Sec. 26-430. - Resumption of service.**

(a)

*Amount of fee required.* Any customer or consumer of the gas system of the city who discontinues the use of the services and facilities of such gas system, and subsequently desires to resume such services and facilities at the same premises shall be charged by the city and shall pay the city the current setup fee for resumption of such services and facilities made and determined by the gas utility board. The current customer service fee schedule is published on the utility website ([www.hsvutil.org](http://www.hsvutil.org)).

(b)

*City employees not to restore services until fee paid.* No employee of the city shall restore gas services or facilities for any customer or consumer as set out in subsection (a) of this section until the charge shall have been paid by each such customer or consumer of natural gas.

(Code 1982, §§ 17-57, 17-58)

**Sec. 26-433. - Underground utility damage prevention program.**

(a)

*Scope.* This section is adopted pursuant to 49 CFR 192.614, Notification of Excavation or Demolition, Chapter 15. Section 37-15-1 to 37-15-11 Code of Alabama 1975 as amended and hereinafter referred to as "Alabama 811 or One Call Notification Systems" is hereby adopted and any terms and conditions of the provisions hereinafter set forth which conflict with the terms and conditions of Section 37-15-1 to 37-15-11, Code of Alabama, (1975, as amended) are hereby amended to comply with the provisions of Section 37-15-1 to 37-15-11, Code of Alabama, as last amended. All operators of buried natural gas pipelines and distributors are required to adopt a written program to prevent damage to natural gas lines due to excavation and to adopt rules and regulations to prevent damage to all underground utilities owned and operated by the city and to provide for a one-call service for the location of all utilities.

(b)

*Definitions.* The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

*Damage* means the substantial weakening of structural support of an underground utility, penetration or destruction of any protective coating, housing or other protective device of an underground utility, and the partial or complete severance of an underground utility.

*Demolish* or *demolition* means any operation by which a structure or mass of material is wrecked, razed, rendered, moved or removed by means of any tools, equipment, or discharge of explosives.

*Excavate* or *excavation* means an operation for the purpose of the movement or removal of earth, rock or other materials in or on the ground by use of mechanized equipment or by discharge of explosives, and including augering, backfilling, boring, digging, ditching, drilling, grading, plowing-in, pulling-in, ripping, scraping, trenching and tunneling.

*Mechanized equipment* means equipment operated by means of mechanical power, including trenchers, bulldozers, power shovels, augers, backhoes, scrapers, drills, cable and pipe plows and other equipment used for plowing-in or pulling-in cable or pipe.

*Operator* means any person who owns or operates a utility.

*Person* means any individual, any corporation, partnership, association or any other entity organized under the laws of any state; any subdivision or instrumentality of a state; and any employee, agent or legal representative of a state.

*Utility* means any line, pipeline, system or facility used for producing, storing, conveying, transmitting or distributing electricity, natural gas, water or other utilities, which facilities are operated by the city.

*Working day* means every day.

(c)

*Excavation and demolition permits.* A permit issued pursuant to law authorizing excavation or demolition operations shall not be deemed to relieve a person from the responsibility for complying with the provisions of this section.

(d)

*Purpose.* The purpose of this section is to establish a system to provide timely and expeditious notification to the operators of the city's utilities by excavators of their intent to dig, bore, blast or otherwise disturb the surface of the earth in such a manner that may cause damage to underground facilities or create a hazard or

interruption of service to the general public. All persons therefore who need to excavate or work with the earth in such a manner as to contact or cause possible damage to subsurface utilities are encouraged to utilize the notification procedures set forth in subsection (g) of this section.

(e)

*Notice of intent to excavate or demolish.*

(1)

Before commencing any excavation or demolition operation designated in subsection (d) of this section, each person responsible for such excavation or demolition shall serve telephonic or electronic notice of intent to excavate or demolish prior to the time of excavation or demolition. Notification of excavation for the location of utilities shall be made to Alabama 811.

(2)

Prior notice of requirements is not required of persons responsible for emergency excavation or demolition to ameliorate an imminent danger to life, health or property provided such persons give, as soon as practicable, oral notice of the emergency excavation or demolition to Alabama 811 and requests emergency assistance from each operator so identified in locating and providing immediate protection to underground utilities. An imminent danger to life, health or property exists whenever there is a substantial likelihood that loss of life, health or property will result before the procedures under this section can be fully complied with.

(3)

The telephonic or electronic notice required by subsection (e)(1) of this section must contain the name, address, and telephone number of the person filing the notice of intent and, if different, the person responsible for the excavation or demolition, the starting date, anticipated duration, and type of excavation or demolition operation to be conducted, the location of the proposed excavation or demolition, and whether or not explosives are to be used.

(4)

Each excavation request shall be made to and taken by Alabama 811, in accordance with subsection (e)(1), (2) and (3) of this section.

(f)

*Temporary marking.*

(1)

Utility locate personnel or contractors shall use a bright yellow paint, which is the national standard color for gas, when marking their utility facilities. Other utilities shall use the national standard color in the marking of their facilities. The markings shall be placed directly or as close

as possible over the utility facilities. For purposes of this section, the term "as close as possible over the utility facilities" is defined as a strip of land at least three feet wide but not wider than the width of the utility plus 1½ feet on either side of the utility.

(2)

Provisions will be made for temporary marking of buried utilities in the area of excavation activity before, as far as practical, the activity begins.

(g)

*Inspections.*

(1)

Where there is reason to believe utility facilities close to the excavation activity may be damaged, they shall be inspected as frequently as necessary to verify the integrity of the facility.

(2)

If blasting occurs, any inspection must include leakage or breakage surveys immediately after and periodically to determine that no damage due to blasting has occurred to the facilities.

(h)

*Precautions to avoid damage.* In addition to the notification requirements of subsection (e) of this section, each person responsible for any excavation or demolition operation designated in subsection (d) of this section shall:

(1)

Plan the excavation or demolition to avoid damage to or minimize interference with the underground utility in and near the construction area;

(2)

Maintain a clearance between the underground utility and the cutting edge or point of any mechanized equipment, taking into account the known limit of control of such cutting edge or point, as may be reasonably necessary to avoid damage to such utility; and

(3)

Provide such support for underground utility in and near the construction area, including during backfill operations, as may be reasonably necessary for the protection of such utility.

(i)

*Excavation or demolition damage.*

(1)

Except as provided by subsection (i)(2) of this section, each person responsible for any excavation or demolition operation designated in subsection (d) of this section, that results in any damage to the underground utility shall, immediately upon discovery of such damage, notify the operator of such utility

of the location and nature of the damage and shall allow the operator reasonable time to accomplish necessary repairs before completing the excavation or demolition in the immediate area of such utility.

(2)

Each person responsible for any excavation or demolition operations designed in subsection (d) of this section, that results in damage to the underground utility shall, immediately upon discovery of such damage, notify the operator, police and fire departments, and take any other action as may be reasonably necessary, to protect persons and property and to minimize the hazards until arrival of the operator's personnel or police and fire departments. The person responsible for such damage shall pay to the utility all costs associated with the repair and loss of utility for such damage.

(j)

*Locations.* This section shall encompass all locations served by all utilities of the city.

(Ord. No. 83-206, § 17-62, 6-9-1983)

### DIVISION 3. - RATES AND CHARGES

#### **Sec. 26-452. - Allocations, prorations and penalties.**

(a)

Allocations, prorations. Whenever, for any reason, any or all of the suppliers of natural gas to the city curtails, decreases or impairs in any way whatsoever the supply of natural gas which the city secures for the consumers and customers of the city natural gas system or should the supply of natural gas not be available to serve all of the customers and consumers of the city natural gas system, then, in such event, the city shall have the right, for the purposes of allocating the supply to the consumers and customers of the city natural gas system to allocate and prorate the amount of natural gas which any or all of the consumers or customers receive for such periods of time as shall be required by the city. Notice of such allocations shall be given by announcements to media, newspapers and other means of communication.

(b)

Penalty and curtailment. Should any customer, on any day or for any month, who has been placed on allocation or proration without the city's prior approval take or use a volume of natural gas in excess of the maximum daily or monthly quantity of natural gas which the city

has allocated or prorated to any of its customers or consumers, then such volume in excess of such allocation or proration shall constitute unauthorized overrun volume, and for such overrun volume the customer or consumer who incurs such overrun shall pay unto the city any penalty assessed on the city by any pipeline or supplier for the overrun and a penalty of \$1.00 for each mcf of natural gas constituting unauthorized overrun volume taken by the customer or consumer up to and including the volume of natural gas which is one percent in excess of the amount which has been allocated or prorated to the customer or consumer, and a penalty of \$10.00 for each additional mcf of natural gas in excess of one percent over and above the amount allocated or prorated to the consumer or customer. The penalty shall be paid by the customer or consumer who incurred the unauthorized overrun together with and in addition to the demand and commodity charges payable by the customer or consumer for the month in which said overrun volume was taken. The payment of a penalty for unauthorized overrun shall not under any circumstances be considered giving such customer or consumer the right to take unauthorized overrun nor shall such payment be considered as a substitute for any other remedy available to the city against the offending customer or consumer for failure to respect its obligations to adhere to the provisions of this rate schedule. In addition to the penalties imposed or improvised in this subsection, whenever such unauthorized overrun has or might impair or jeopardize the supply of natural gas which the city has secured for its other customers and consumers, then the city shall have the right to discontinue the natural gas service to such customer or consumer who has incurred such unauthorized overrun.

(c)

Applicability. The provisions of this section shall be applicable to all customers served by the city natural gas system, including but not being limited to those customers and consumers whose rates and charges are set forth in class 00, class 10, class 11, , class 16, class 22, class 35, class 39, class 40 and class 41.

(Ord. No. 00-315, §§ 17-77-17-79, 4-13-2000; Ord. No. 01-970, § 17-92, 11-20-2001)

**Sec. 26-453. - Deposit and rate adjustment.**

(a)

Deposit. A cash deposit or suitable guarantee, as approved, by the city gas utility board, not exceeding twice the highest bill may be required of any customer or person before gas or transportation service is supplied. The city electric utility board, the city gas

utility board and the city waterworks utility board may enter into an agreement to establish a combined utility deposit; to establish a minimum deposit for all types of service, and to distribute the proceeds from these deposits. Interest may be accumulated on these deposits from October 1, 1973, at a rate as may from time to time be determined by the board and will be added to the deposit at the time service is terminated. The deposit, plus accumulated interest, may be applied against any unpaid bills of the customer and if any balance remains after such application is made, such balance shall be refunded to the customer.

(b)

Gas rate adjustment. Recognizing that rates charged for natural gas are governed and determined by the cost of natural gas and other gas which is purchased by the city, the rates which are set forth in the rate schedules for charges for natural gas as set forth in sections 26-454-26-464 are to be increased and decreased daily on the basis of the cost of natural gas or other gas purchased by the city from its supplier. To the cost of gas purchased, the city shall add the cost of transportation, manufacturing gas, operational and distribution costs, and six percent of the total cost as charged to the customer. The adjusted rate shall be effective on the same date as such rate is made effective to the city by its supplier or suppliers of natural gas or such other gas as may or might be injected to the city natural gas system.

(c)

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 contracted capacity is fully utilized and such fixed cost is to be factored into the cost of gas delivered to the customers of the city natural gas distribution system, and that the rates charged for natural gas are to be adjusted as set forth in subsection (b) of this section, all of which has been necessitated by the deregulation of natural gas which will cause the rates or charges for natural gas to fluctuate, it is therefore determined that adjustments to the industrial transportation rates and charges as set forth in section 26-465-26-469 will be necessary and that all adjustments, changes or amendments from time to time as determined necessary will be made by the city gas utility board to assure that cost of transportation service and other costs charged to customers that utilize industrial transportation rate schedule will compensate the city 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 natural gas system through which industrial transportation service can be made available to industrial customers as set forth in this division.

(Ord. No. 00-315, § 17-89, 4-13-2000; Ord. No. 01-970, § 17-93, 11-20-2001)

**Sec. 26-454. - Commercial and industrial firm gas rate schedule, class 00.**

(a)

Availability. The schedule of rates in this section is available for gas service to all firm commercial or industrial customers contracting and using not less than 15,000 cubic feet and not more than 50,000 cubic feet of maximum daily demand served from the city's gas distribution system. Gas supplied under this rate schedule is for the exclusive use of the customer and will not be resold or shared with others.

(b)

Applicability. The rate schedule in this section is applicable to firm commercial and industrial customers, including single-metered apartment houses and multiple unit housing projects, with maximum daily gas consumption not less than 15,000 cubic feet. (1,000 cubic feet = 1 mcf.)

(c)

Rate.

(1)

Demand charge. \$11.64 per month for each 1,000 feet of maximum daily demand of gas delivered to the customer on any day during the 12-month period ending with the current billing month; plus

(2)

Commodity charge. For all gas consumed each month at \$7.53 per 1,000 cubic feet, per month.

(d)

Availability charge. The availability charge is \$12.00 per month. In addition, there will be a charge equal to the highest demand charge established during the 12-month period ending with the current billing

month times the demand charge. The availability charge will apply during each month of the calendar year whether or not service is continuously used during such year. If the customer discontinues gas service during a portion of the year, the availability charge will apply each month whether service is active or inactive. In addition to the availability charge, the city may charge the customer for the cost of disconnecting and reconnecting the service.

(e)

Payment. The rates in this section 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. Payments that are due on a weekend or holiday will be due the next business day.

(f)

Maximum daily demand. The maximum daily demand will be defined as the maximum 24-hour use of gas during the 12-month period ending with the close of the current month. The maximum daily demand will be determined at the option of the city according to one of the following methods:

(1)

By estimate:  $1/20$  of the maximum monthly gas consumption during the 12-month period ending with the current month.

(2)

By actual test.

(3)

By demand meter.

(g)

Single point delivery. 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. A separate supply for the same customer at other points of consumption, or at different pressures, will be separately metered and billed.

(h)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(i)

Rules and regulations. Service under this section will be subject to the rules and regulations of the city's natural gas system.

(j)

Contract terms. The term of contract under this section will be by agreement of the parties, but in no event, less than one year.

(Ord. No. 00-315, § 17-77, 4-13-2000)

**Sec. 26-455. - Content deleted. Reserved for future use.**

**Sec. 26-456. - Industrial interruptible rate schedule, class 10.**

(a)

Availability. The schedule of rates in this section is available for gas service to all interruptible industrial customers contracting and using not less than 50,000 and not more than 299,000 cubic feet of maximum daily demand. Gas supplied under this section is for the exclusive use of the customer and will not be resold or shared with others. (1,000 cubic feet = 1 mcf.)

(b)

Applicability. Gas sold under this section will be termed "interruptible gas" and will be interrupted whenever, in the opinion of the city, the interruption is necessary to prevent an increase in the city's previously established maximum day's use from the city's wholesale gas supplier, or under any circumstances where the supply of natural gas to users of a higher priority is in jeopardy. Customers receiving gas service under this section will at no time take gas during any period of curtailment.

(c)

Monthly rate. The monthly rate is \$6.88 per 1,000 cubic feet of gas consumed per month.

(d)

Availability charge. The availability charge is \$30.00 per month. The availability charge will apply during each month of the calendar year

whether or not service is continuously used during such year. If the customer discontinues gas service during the contract term, the availability charge will apply each month whether service is active or inactive. In addition to the availability charge, the city may charge the customer for the cost of disconnecting and reconnecting the service.

(e)

Payment. The rates in this section 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. Payments that are due on a weekend or holiday will be due the next business day.

(f)

Maximum daily demand. The maximum daily demand will be defined as the maximum 24-hour use of gas during the 12-month period ending with the close of the current month. The maximum daily demand will be determined at the option of the city according to one of the following methods:

(1)

By estimate: 1/20 of the maximum monthly gas consumption during the 12-month period ending with the current month.

(2)

By actual test.

(3)

By demand meter.

(g)

Single point delivery. The rates in this section are based upon the supply of service to the customer's premises through a single delivery and metering point, and at a single pressure. A separate supply for the same customer at other points of consumption, or at different pressures, will be separately metered and billed.

(h)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(i)

Rules and regulations. Service under this section will be subject to the rules and regulations of the city's natural gas system.

(j)

Contract terms. The term of contracts under this section will be by agreement of the parties, but in no event less than one year.

(Ord. No. 00-315, § 17-79, 4-13-2000)

**Sec. 26-457. - Industrial interruptible rate schedule, class 11.**

(a)

Availability. The schedule in this section is available for gas service to all interruptible industrial customers contracting and using not less than 300,000 cubic feet of maximum daily demand. Gas supplied under this section is for the exclusive use of the customer and will not be resold or shared with others. (1,000 cubic feet = 1 mcf.)

(b)

Applicability. Gas sold under this section will be termed "interruptible gas" and will be interrupted whenever, in the opinion of the city, the interruption is necessary in order to prevent an increase in the city's previously established maximum day's use from the city's wholesale gas supplier, or under any circumstances where the supply of natural gas to users of a higher priority is in jeopardy. Customers receiving gas service under this section will at no time take gas during any period of curtailment.

(c)

Monthly rate. The monthly rate is \$6.72 per 1,000 cubic feet (mcf) of gas consumed per month.

(d)

Availability charge. The availability charge is \$30.00 per month. The availability charge will apply during each month of the calendar year whether or not service is continuously used during such year. If the customer discontinues gas service during the contract term, the

availability charge will apply each month whether service is active or inactive. In addition to the availability charge, the city may charge the customer for the cost of disconnecting and reconnecting the service.

(e)

Payment. The rates in this section 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. Payments that are due on a weekend or holiday will be due the next business day.

(f)

Maximum daily demand. The maximum daily demand will be defined as the maximum 24-hour use of gas during the 12-month period ending with the close of the current month. The maximum daily demand will be determined at the option of the city according to one of the following methods:

(1)

By estimate: 1/20 of the maximum monthly gas consumption during the 12-month period ending with the current month.

(2)

By actual test.

(3)

By demand meter.

(g)

Single point delivery. The rates in this section are based upon the supply of service to the customer's premises through a single delivery and metering point, and at a single pressure. A separate supply for the same customer at other points of consumption, or at different pressures, will be separately metered and billed.

(h)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(i)

Rules and regulations. Service under this section will be subject to the rules and regulations of the city's natural gas system.

(j)

Contract terms. The term of contracts under this section will be by agreement of the parties, but in no event, less than one year.

(Ord. No. 00-315, § 17-80, 4-13-2000)

**Sec. 26-458. - Content deleted. Reserved for future use.**

**Sec. 26-459. - Content deleted. Reserved for future use.**

**Sec. 26-460. - Content deleted. Reserved for future use.**

**Sec. 26-462. - Industrial firm and interruptible schedule, class 16.**

(a)

Availability. The schedule of rates in this section is available for gas service to all interruptible industrial customers contracting and using a minimum of 50,000 cubic feet of maximum daily interruptible demand, plus additional firm demand of natural gas service served and billed through one gas meter by the city. Gas supplied under this section is for the exclusive use of the customer and will not be resold or shared with others. (1,000 cubic feet = 1 mcf.)

(b)

Applicability. Gas sold under this section will be termed "interruptible gas" and will be interrupted whenever, in the opinion of the city, the interruption is necessary in order to prevent an increase in the city's previously established maximum day's use from the city's wholesale gas supplier, or under any circumstances where the supply of natural gas to users of a higher priority is in jeopardy. Customers receiving gas service under this section will at no time take gas during any period of curtailment. Any interruptible gas consumed during any period of curtailment may be subject to penalty and/or additional charges.

(c)

Monthly rates.

(1)

Firm gas will be billed at the applicable firm rate schedule according to the class qualifications.

(a) 60 mcf/day at \$7.54 per 1,000 cubic feet (mcf) of consumed gas per month.

(2)

Remainder of daily consumption will be billed at the applicable industrial interruptible rate schedule according to class qualifications.

(a) >60 mcf/day at \$6.88 per 1,000 cubic feet (mcf) of consumed gas per month (based on IGM-10 class qualifications).

(b) >60 mcf/day at \$6.72 per 1,000 cubic feet (mcf) of consumed gas per month (based on IGM-11 class qualifications).

(d)

Availability charge/minimum bill. The firm availability charge is \$12.00 per month and the interruptible available charge is \$30.00 per month. The availability charge/minimum bill will apply during each month of the calendar year whether or not service is continuously used during such year. If the customer discontinues gas service during the contract term, the availability/minimum bill charge will apply each month of the contract term whether service is active or inactive. In addition to the availability charge/minimum bill, the city may charge the customer for the cost of disconnecting and reconnecting the service.

(e)

Payment. The rates in this section 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. Payments that are due on a weekend or holiday will be due the next business day.

(f)

Maximum daily demand. The maximum daily demand will be defined as the maximum 24-hour use of gas during the 12-month period ending with the close of the current month. The maximum daily demand will be determined at the option of the city according to one of the following methods:

(1)

By estimate: 1/20 of the maximum monthly gas consumption during the 12-month period ending with the current month.

(2)

By actual test.

(3)

By demand meter.

(4)

By agreement with customer according to amount of firm connected load as specified.

(g)

Single point delivery. The rates in this section are based upon the supply of service to the customer's premises through a single delivery and metering point, and at a single pressure. A separate supply for the same customer at other points of consumption, or at different pressures, will be separately metered and billed.

(h)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(i)

Rules and regulations. Service under this section will be subject to the rules and regulations of the city's natural gas system.

(j)

Contract terms. The term of contracts under this section will be by agreement of the parties, but in no event, less than one year.

(Ord. No. 00-315, § 17-85, 4-13-2000)

**Sec. 26-463. - Residential rate schedule, class 22.**

(a)

Availability. The schedule of rates in this section is available for gas service to domestic consumers served from the city's gas distribution system. Gas supplied under this schedule is for the

exclusive use of the customer and will not be resold or shared with others.

(b)

Applicability. This section is applicable to residences containing not in excess of a single dwelling unit. Service to multiple housing units containing in excess of one unit will be considered nonresidential service and will be billed on the appropriate commercial rate.

(c)

Monthly rate. For all gas consumed per month, the rate shall be \$8.01 per 1,000 cubic feet.

(d)

Availability charge. The availability charge for residential service will be \$5.50 per month. The availability charge will apply during each month of the calendar year whether or not service is continuously used during such year. If the customer discontinues gas service during a portion of the year, the availability charge will apply each month whether service is active or inactive. In addition to the availability charge, the city may charge the customer for the cost of disconnecting and reconnecting the service.

(e)

Payment. The rates in this section are net. If any bill is not paid on or before 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. Payments that are due on a weekend or holiday will be due the next business day.

(f)

Single delivery point. The 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. A separate supply for the same customer at other points of consumption, or at different pressures, will be separately measured and billed.

(g)

Heating value. The natural gas distributed under this section contains approximately 1,000 BTU per cubic feet.

(h)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(i)

Rules and regulations. Service under this section is subject to the rules and regulations of the city's natural gas system.

(j)

Contract terms. The term of this contract under this section will be for not less than one year and from year to year thereafter.

(Ord. No. 00-315, § 17-86, 4-13-2000)

**Sec. 26-464. - Small nonresidential rate schedule, class 35.**

(a)

Availability. The schedule of rates in this section is available for firm gas service to all nonresidential customers served from the city's gas distribution system. Gas supplied under this section is for the exclusive use of the customer and will not be resold or shared with others.

(b)

Applicability. This section is applicable to industrial and commercial customers, including single-metered apartment houses and multiple unit housing projects with maximum daily gas consumption less than 15,000 cubic feet.

(c)

Rate. The rate for all gas consumed per month shall be \$8.51 per 1,000 cubic feet.

(d)

Availability charge. The availability charge will be \$8.50 per month. The availability charge will apply during each month of the calendar year whether or not service is continuously used during such year. If the customer discontinues gas service during a portion of the year, the availability charge will apply each month whether service is active or inactive. In addition to the availability charge, the city may charge the customer for the cost of disconnecting and reconnecting service.

(e)

Payment. The rates in this section 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. Payments that are due on a weekend or holiday will be due the next business day.

(f)

Single point delivery. The rates in this section are based upon the supply of service to the customer's premises through a single delivery and metering point, and at a single pressure. A separate supply for the same customer at other points of consumption, or at different pressures, will be separately metered and billed.

(g)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(h)

Rules and regulations. Service under this section is subject to the rules and regulations of the city's natural gas system.

(i)

Contract terms. The term of contract under this section shall be by agreement of the parties, but in no event, less than one year.

(Ord. No. 00-315, § 17-87, 4-13-2000)

**Sec. 26-465. - Content deleted. Reserved for future use.**

**Sec. 26-466. - Content deleted. Reserved for future use.**

**Sec. 26-467. - Industrial transportation rate schedule, class 39.**

(a)

Availability. This transportation schedule is available to all industrial customers contracting to transport not less than 300,000 cubic feet and not more than 999,000 cubic feet per day of natural gas delivered to and as metered by the city gas system meter.

Transportation service as supplied under this rate schedule is for the exclusive use of the customer, and this transportation service and any

gas received through this transportation service will not be resold or shared with any other person or entity. Transportation service under this schedule may be interrupted for any cause as determined by the city. (1,000 cubic feet = 1 mcf.) The city will not be liable for damages resulting from any conditions, which cause transportation service to be interrupted.

(b)

Applicability. The customer will be responsible for gas supply and transportation on all upstream pipeline for delivery of the customer's natural gas to the city gas system's city gate station, together with all associated cost.

(c)

Firm transportation rate. A service charge of \$530.00 per month, plus:

Daily Transportation Volume (Mcf)	Rate (Mcf)
300-999	\$0.85

(d)

Minimum bill. The minimum bill will be \$3,000.00 for each month service is provided.

(e)

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. Payments that are due on a weekend or holiday will be due the next business day.

(f)

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.

(g)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(h)

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

(i)

Contract terms. The term of contract under this schedule will be by agreement of the parties, and shall be on a month-to-month contract.

(Ord. No. 01-970, § 17-90, 11-20-2001)

**Sec. 26-468. - Industrial transportation rate schedule, class 40.**

(a)

Availability. This transportation schedule is available to all industrial customers contracting to transport not less than 100,000 cubic feet and not more than 299,000 cubic feet per day of natural gas delivered to and as metered by the city gas system meter.

Transportation service as supplied under this rate schedule is for the exclusive use of the customer, and this transportation service and any gas received through this transportation service will not be resold or shared with any other person or entity. Transportation service under this schedule may be interrupted for any cause as determined by the city. (1,000 cubic feet = 1 mcf.) The city will not be liable for damages resulting from any conditions, which cause transportation service to be interrupted.

(b)

Applicability. The customer will be responsible for gas supply and transportation on all upstream pipeline for delivery of the customer's natural gas to the city gas system's city gate station, together with all associated cost.

(c)

Firm transportation rate. A service charge of \$530.00 per month, plus:

Daily Transportation Volume (Mcf)	Rate (Mcf)
100-299	\$0.85

(d)

Minimum bill. The minimum bill will be \$1,500.00 for each month service is provided.

(e)

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. Payments that are due on a weekend or holiday will be due the next business day.

(f)

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. A separate supply for the same customer at other points of consumption, or at different pressures, will be separately metered and billed.

(g)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(h)

Rules and regulations. Service under this schedule will be subject to the rules and regulations of the city natural gas system.

(i)

Contract terms. The term of contract under this schedule will be by agreement of the parties, and shall be on a month-to-month contract.

(Ord. No. 01-970, § 17-91, 11-20-2001)

**Sec. 26-469. - Fueling station transportation rate schedule, class 41.**

(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 the city's gas system 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. The city will not be liable for damages resulting from any conditions, which cause transportation service to be interrupted.

(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 system's 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. Payments that are due on a weekend or holiday will be due the next business day.

(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. A separate supply for the same customer at other points of consumption, or at different pressures, will be separately metered and billed.

(f)

Deposit required. The city may require a deposit prior to commencing service under this schedule equal to an amount not exceeding twice the highest bill.

(g)

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

(h)

Contract terms. The term of the contract under this schedule will be by agreement of the parties.

(i)

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 this section 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.

(Ord. No. 13-187, 3-28-2013)

**BE IT FURTHER ORDAINED,** this Ordinance shall become effective upon its adoption and approval.

**ADOPTED** this the \_\_\_\_\_day of  
\_\_\_\_\_ 2015.

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

**APPROVED** this the \_\_\_\_\_day of  
\_\_\_\_\_ 2015.

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Mayor of the City of Huntsville,  
Alabama