

ORDINANCE NO. 5350

AN ORDINANCE OF THE CITY OF FREMONT, NEBRASKA, ESTABLISHING RATE SCHEDULES FOR NATURAL GAS SYSTEM; REPEALING ORDINANCE NO. 5071 AND ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING WHEN THE RATE SCHEDULES ARE EFFECTIVE; AND PROVIDING WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF FREMONT, NEBRASKA, THAT:

SECTION I. RESIDENTIAL RATE SCHEDULE

Residential Service shall be applicable to single family residences and individually metered apartments for all domestic purposes when all service is supplied through a single meter and where the customer's peak day requirement does not exceed 200 Mcf. Service will be firm at standard City pressure and temperature.

The net monthly rates for Residential Service shall be:

Customer Charge:	\$9.50
Volume Charge:	\$0.777 per ccf
Adjustment for Cost of Purchase Gas:	See Section VI of this Ordinance
Adjustment for Cost of Transportation:	See Section VII of this Ordinance

Late Payment: There will be a ten percent (10%) late payment charge, not to exceed \$10.00, added to any bill not paid on or before the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished under the City's General Terms and Conditions.
3. The rates set forth herein may be increased by the amount of any new or increased governmental tax imposed and levied on transmission, distribution, production, or the sale of natural gas.

SECTION II. FIRM COMMERCIAL RATE SCHEDULE

Firm Commercial Service shall be applicable to any customer for non-domestic purposes where all service is taken through a single meter at one location and where the customer's peak day requirement does not exceed 200 Mcf. Service will be firm at standard City pressure and temperature.

The net monthly rates for Firm Commercial Service shall be:

Customer Charge:	\$14.00
Volume Charge:	\$0.770 per ccf
Adjustment for Cost of Purchase Gas:	See Section VI of this Ordinance
Adjustment for Cost of Transportation:	See Section VII of this Ordinance

Late Payment: There will be a ten percent (10%) late payment charge, not to exceed \$40.00, added to any bill not paid on or before the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished under the City's General Terms and Conditions.
3. The rates set forth herein may be increased by the amount of any new or increased governmental tax imposed and levied on transmission, distribution, production, or the sale of natural gas.

SECTION III. INTERRUPTIBLE COMMERCIAL RATE SCHEDULE

Interruptible Commercial Service shall be applicable to any customer for non-domestic purposes where all service is taken through a single meter at one location and where the customer has executed an agreement with the City whereby, in a period of curtailment or interruption, the customer can switch to alternate fuel to maintain operation or curtail all operations requiring the use of natural gas from the City distribution system. **Noted below is a provision for penalty in the event customer does not comply with curtailment when notified.** Customer must demonstrate the capability to remain off the City system for a minimum of forty-eight (48) hours. Service will be firm at standard City pressure and temperature.

The net monthly rates for Interruptible Commercial Service shall be:

Customer Charge:	\$45.00
Volume Charge:	\$0.642 per ccf
Adjustment for Cost of Purchase Gas:	See Section VI of this Ordinance
Adjustment for Cost of Transportation:	See Section VII of this Ordinance

Curtailment Penalty: Penalty charge for failure to curtail when notified (customer will be given four (4) hours notification prior to curtailment):

Non-Critical Day:*	\$8.75 per Mcf
Critical Day:*	\$113.00 per Mcf

*As called by Northern Natural Gas Company

Late Payment: There will be a ten percent (10%) late payment charge, not to exceed \$40, added to any bill not paid on or before the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished under the City's General Terms and Conditions.
3. The rates set forth herein may be increased by the amount of any new or increased governmental tax imposed and levied on transmission, distribution, production, or the sale of natural gas.

SECTION IV. GAS TRANSPORTATION SERVICE (Contract)

This service applies to Commercial users with a single meter with peak day requirements greater than 200 Mcf and a monthly volume greater than 4,000 Mcf where the customer has negotiated a contract with the City for gas delivered to the Town Border Station; daily balancing penalties, critical day penalties, and monthly imbalances will be addressed in the third-party supply contract.

Customer Charge (minimum bill):	\$75.00
FDU System Charge:	\$0.100 per ccf
Adjustment for Cost of Transportation:	See Section VII of this Ordinance

Third Party Gas Supply. If the gas is supplied and transported to the City Border Station by a third party:

- Daily nominations will be required consistent with Northern Natural Gas' daily nomination requirements.
- Daily balancing penalties and critical day penalties shall be the same as Northern Natural Gas.
- Monthly imbalance settlement:
 - Surplus: City will purchase the surplus at 90% of the *Inside FERC* First of the Monthly Demarcation Index.
 - Shortage: City will sell the shortfall, delivered to the end user, at the First of the Month *Inside FERC* First of the Month Demarcation Index plus \$2.00/Mcf.

Late Payment: There will be a ten percent (10%) late payment charge, not to exceed \$40, added to any bill not paid on or before the due date.

Terms and Conditions:

1. Customer must submit, by telephone or in writing, no less than five (5) days prior to the start of the month that service is desired. Service shall be for a minimum of one (1) month.
2. All rates subject to change upon thirty (30) days' notice.
3. For reduced rate based upon cost of alternative fuels, customer must provide certified copies of current fuel bills or proposals.
4. Service must be for complete months.
5. Customer shall be responsible for all contracting, scheduling, balancing, payments, etc. for natural gas supply, unless otherwise arranged with the City Department of Utilities.

SECTION V. GAS TRANSPORTATION SERVICE

This service applies to Commercial users with a single meter with peak day requirements greater than 200 Mcf and a monthly volume greater than 4,000 Mcf.

Customer Charge (minimum bill):	\$75.00
Volume Charge:	Northern Natural Gas Demarcation Index

Cost of gas for all listed levels of service shall be based on the first of the month Demarcation Index for gas delivered into the Northern Natural Gas system plus the volume charge shown below. The customer shall have the right to hedge this price based on the natural gas futures market where the customer has negotiated a contract with the City Department of Utilities outlining the terms and conditions to do so.

Firm Service:

Up to 10,000 ccf per month	\$0.270/ccf
Greater than 10,001 ccf per month	\$0.187/ccf

Interruptible Service:

Up to 100,000 ccf per month	\$0.142/ccf
100,001 to 320,000 ccf per month	\$0.125/ccf
Greater than 320,001 ccf per month	\$0.106/ccf

Third Party Gas Supply. If the gas is supplied and transported to the City Border Station by a third party:

- Daily nominations will be required consistent with Northern Natural Gas' daily nomination requirements.
- Daily balancing penalties and critical day penalties shall be the same as Northern Natural Gas.
- Monthly imbalance settlement:
 - Surplus: City will purchase the surplus at 90% of the *Inside FERC* First of the Monthly Demarcation Index.
 - Shortage: City will sell the shortfall, delivered to the end user, at the First of the Month *Inside FERC* First of the Month Demarcation Index plus \$2.00/Mcf
- FDU System Charge of \$0.100 per ccf

Late Payment: There will be a ten percent (10%) late payment charge, not to exceed \$40, added to any bill not paid on or before the due date.

Terms and Conditions:

1. Customer must submit, by telephone or in writing, no less than five (5) days prior to the start of the month that service is desired. Service shall be for a minimum of one (1) month.
2. All rates subject to change upon thirty (30) days' notice.
3. For reduced rate based upon cost of alternative fuels, customer must provide certified copies of current fuel bills or proposals.
4. Service must be for complete months.
5. Customer shall be responsible for all contracting, scheduling, balancing, payments, etc. for natural gas supply, unless otherwise arranged with the City Department of Utilities.

SECTION VI. PURCHASE GAS ADJUSTMENT (PGA)

All retail gas sales are subject to the application of a "Purchase Gas Adjustment" (PGA). Said adjustment shall be made when directed by the Board of Public Works and shall be determined as follows:

Purchased and produced gas costs shall be calculated for each month to reflect changes in the cost of gas above or below the Base Cost. For these purposes, the actual cost of gas (actual cost) shall mean the total cost, including all demand, commodity, fuel and other supply related charges. Said calculations and adjustments shall be made and become effective with the first billing of each month, unless otherwise directed by the Board of Public Works, to fully recover additional gas supply costs. The difference between the "Cost of Gas" and the Base Cost shall be the Purchase Gas Adjustment (PGA).

The Base Cost (price of gas in the field) shall be considered \$0.500 per ccf. The PGA adjustment shall be multiplied by the individual customer usage to determine the monthly billing adjustment.

SECTION VII. TRANSPORTATION COST ADJUSTMENT (TCA)

All retail gas sales and transportation service that use the City's firm pipeline transportation capacity are subject to application of a "Transportation Cost Adjustment" (TCA). Said adjustment shall be made when directed by the Board of Public Works and shall be determined as follows:

Any increase in firm transportation and/or storage costs based on approved tariff rates for the City shall be calculated. The increase in cost shall be divided by the total retail sales and transportation volumes that use the City's pipeline transportation contract for the previous twelve (12) months. Said increase shall be made and become effective with the first billing of each month and remain in effect until otherwise directed by the Board of Public Works.

The Base Transportation Cost of transportation is \$0.06 per ccf, based on firm transportation and storage costs of \$1,400,000 and transportation volumes of 23.4 million ccf. The implemented TCA shall be multiplied by the individual customer usage to determine the monthly transportation cost adjustment.

SECTION VIII. REFUND

Any refund, including interest thereon received by the City from its supplier with respect to increased rates paid by the City subject to refund and applicable to natural gas, shall be refunded to its gas customers in the form of credits on such customers' bills, or in cash, to the extent that such increased rates paid by the City were passed on to such firm gas customers.

SECTION IX. BILLING ERRORS

Notice of any billing error must be presented in writing to the Department of Utilities within six (6) months of the error date in order for a correction to be made. No corrections will be made retroactive more than one (1) year from the date of the notification.

SECTION X. REPEAL OF CONFLICTING ORDINANCES

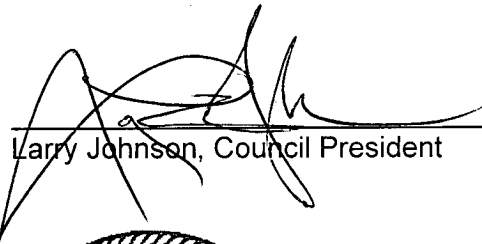
Ordinance No. 5071 and all other ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

SECTION XI. EFFECTIVE DATE

The rate schedules established herein shall be in effect for all billings dated after November 1, 2015.

This ordinance shall take effect and be in force from and after its passage, approval, and publication according to law. This ordinance shall be published in pamphlet form on October 16, 2015 and distributed as a City Ordinance.

PASSED AND APPROVED THIS 13TH DAY OF OCTOBER, 2015.



Larry Johnson, Council President

ATTEST:



Kimberly Volk, MMC, City Clerk

