

ORDINANCE No. 1118 G

APPROVING AN INCREASE IN THE BASE PRICE OF GAS AND A RIDER TO DECREASE THE DEFERRED GAS COST AT A RATE OUTLINED IN THE RATE SCHEDULE FOR THE GAS SUPPLY CHARGE AND AMENDING THE BUDGET BILLING AND THE FIRM AND INTERRUPTIBLE TRANSPORTATION RATE SCHEDULES

WHEREAS, the Board of Directors of the Natural Gas Department and System Enterprise of the City of Fort Morgan (Board of Directors) hereby finds and declares it to be in the public interest and in the interest of the customers of the City's natural gas utility that the Enterprise change the payment in lieu of taxes and capital contribution amount from a percentage to a usage based amount; and,

WHEREAS, the Board of Directors hereby finds and declares it to be in the public interest and in the interest of the customers of the City's natural gas utility that the Enterprise adopt the rate rider proposed for the Rate Schedule for the Gas Supply Charge by the City of Fort Morgan to Sales, Residential, Commercial, and Municipal Customers; and,

WHEREAS, the Board of Directors hereby finds and declares it to be in the public interest and in the interest of the customers of the City's natural gas utility that the Enterprise adjust Sheets 63 and 64, Budget Billing, to amend the calculation of the monthly amount from 1/11th to 1/12th of the total of the past twelve bill cycles and amend Section 5.4 to require a customer to have resided for a minimum of twelve months in the residence to which the Budget Billing Plan is being applied; and,

WHEREAS, the Board of Directors hereby finds and declares it to be in the public interest and in the interest of the customers of the City's natural gas utility that the Enterprise adjust Sheet 17, FT Rate Schedule, to clarify that it is available to customers at one location and to adjust Sheet 10 to establish a minimum rate of \$7.90 and minimum Delivery Charge of \$0.02520 and maximum rate of \$2,5000.00 and a maximum Delivery Charge of \$0.13653; and,

WHEREAS, the Board of Directors hereby finds and declares it to be in the public interest and in the interest of the customers of the City's natural gas utility that the Enterprise adjust Sheet 19, IT Rate Schedule, to clarify that it is available to customers at one location and to adjust Sheet 10 to establish a minimum rate of \$7.90 and minimum Delivery Charge of \$0.02220 and maximum rate of \$2,5000.00 and a maximum Delivery Charge of \$0.13353; and,

WHEREAS, it has been proposed that effective November 1, 2011 that the Delivery Charge shall be increased from \$0.17631 to \$0.23258 to reflect the conversion of the payment in lieu of taxes and capital contribution amount from a percentage to a usage based amount; and,

WHEREAS, it has been established that the balance of the Deferred Gas Cost component of the gas supply charge remains at an increased level; and,

WHEREAS, in an effort to reduce the balance of the Deferred Gas Cost, it has been recommended by the City's consultants, McFadden Consulting Group, Inc., that the deferred gas component be reduced on a temporary basis using a rider of \$(0.00420) per CCF applied to the Deferred Gas Component of the Gas Supply Charge to reduce this balance; and,

WHEREAS, it has been proposed that effective November 1, 2011 and through June 30, 2012, the Gas Supply Charge shall be reduced to (\$0.00420); and,

WHEREAS, on July 1, 2012, McFadden has further proposed that the rider shall expire and the Gas Supply Charge shall be set at \$0.46750 per CCF; and,

WHEREAS, Article VII, Sec. 3 of the *Charter of the City of Fort Morgan* gives the council "power by ordinance to fix and regulate rates, fares and charges for service by

public utility corporations and to change the same every five years; provided, that rates, fares or charges shall not be changed without examination by competent inspectors . . .”; and

WHEREAS, the temporary rate decrease and revisions have been recommended by competent inspectors, McFadden Consulting Group, Inc.; and

WHEREAS, pursuant to C.R.S. 40-3-104, Public Notice was given by publishing notice in the Fort Morgan Times on October 12, 2011, and mailing notice to all customers outside City limits regarding the change in rates; and

WHEREAS, changes in gas rates may be adopted by a resolution, however, all tariff changes must be adopted by ordinance, and thus the foregoing rates are being adopted pursuant to this **Ordinance** for the purposes of economy and efficiency, and all future changes to the gas rates will be done as indicated in the City’s regulations; and,

WHEREAS, the “Fifth Revised” Sheet No. 10 adopted (incorporated herein by this reference) shall be effective November 1, 2011 and remain in effect until June 30, 2012; and,

WHEREAS, the “Sixth Revised” Sheet No. 10 adopted (incorporated herein by this reference) shall be effective July 1, 2012, and

WHEREAS, the “First Revised” Sheet No. 17 adopted (incorporated herein by this reference) shall be effective November 1, 2011; and,

WHEREAS, the “First Revised” Sheet No. 19 adopted (incorporated herein by this reference) shall be effective November 1, 2011; and,

WHEREAS, the “First Revised” Sheets No. 63 and 64 adopted (incorporated herein by this reference) shall be effective November 1, 2011.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE NATURAL GAS DEPARTMENT AND SYSTEM ENTERPRISE OF THE CITY OF FORT MORGAN, COLORADO, THAT:

1. The Natural Gas Department and System Enterprise (hereinafter the “Enterprise”) of the City of Fort Morgan, Colorado, does hereby adopt the rider as set forth above for the Gas Supply Charge by the City of Fort Morgan to Sales, Residential, Commercial, and Municipal Customers, and hereby approves the “Fifth Revised” Sheet No. 10, effective November 1, 2011 and expiring on June 30, 2012.

2. Thereafter, on July 1, 2012, following the expiration of the proposed rider, the Enterprise hereby adopts in the “Sixth Revised” Sheet No. 10, which shall take effect on said date, and thereafter the Gas Supply Charge shall be set at a rate of \$0.46750 per CCF.

3. The Enterprise does hereby adopt the amended language in the “First Revised” Sheet No. 17, effective November 1, 2011.

4. The Enterprise does hereby adopt the amended language in the “First Revised” Sheet No. 19, effective November 1, 2011.

5. The Enterprise does hereby adopt the amended language in the “First Revised” Sheets No. 63 and 64, effective November 1, 2011.

6. This **Ordinance** shall be in full force and take effect after its passage and approval as provided by law, retroactive to November 1, 2011.

7. This **Ordinance** shall not alter or change the City’s requirements or ability to change rates by resolution. The purpose of including the rate change with the tariff change is for efficiency and economy.

INTRODUCED, READ ON FIRST READING AND ORDERED PUBLISHED this 1st day of November, 2011.

NATURAL GAS DEPARTMENT AND
SYSTEM ENTERPRISE OF THE CITY
OF FORT MORGAN, COLORADO

BY: /s/ Terry L. McAlister
President

ATTEST:

/s/ John J. Brennan
Secretary

PASSED, APPROVED AND ADOPTED ON FINAL READING AND ORDERED PUBLISHED this 15th day of November, 2011.

NATURAL GAS DEPARTMENT AND
SYSTEM ENTERPRISE OF THE CITY
OF FORT MORGAN, COLORADO

[SEAL]

/s/ Terry L. McAlister
By: Terry McAlister
President

ATTEST:

/s/ John J. Brennan
John Brennan
Secretary

STATE OF COLORADO)
COUNTY OF MORGAN) ss.
CITY OF FORT MORGAN)

CERTIFICATE

I, John J. Brennan, the duly appointed, qualified and acting Secretary of the Natural Gas Department and System Enterprise of the City of Fort Morgan, Colorado, do hereby certify and attest that the foregoing **ORDINANCE NO. 1118 G** was, as a proposed Ordinance, duly and legally presented to the Board of Directors of the Enterprise at a regular meeting of the Fort Morgan City Council on the 1st day of November, 2011. Said Ordinance, as proposed, was duly read at length at said regular meeting, and thereafter the same was, on the 4th day of November, 2011, published in the *Fort Morgan Times*, a daily newspaper of general circulation published and printed in the City of Fort Morgan, Morgan County, Colorado. Said proposed Ordinance was again taken up and read a second time, duly and legally passed, approved and adopted by the Board of Directors of the Enterprise at a regular meeting of the City Council held on the 15th day of November 2011. Within five (5) days after its final passage, said Ordinance was published in the *Fort Morgan Times*, a daily newspaper of general circulation published and printed in the City of Fort Morgan, Morgan County, Colorado.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the City of Fort Morgan this 18th day of November 2011.

/s/ John J. Brennan
John Brennan, Secretary