

Ordinance no. _____

Now be it and it is hereby ordained by the Mayor and City Council of the City of Cartersville, that the CITY OF CARTERSVILLE CODE OF ORDINANCES, CHAPTER 24. UTILITIES, ARTICLE IX. GAS SYSTEM is hereby amended as follows:

1.

That Division 2. Rates, Sec. 24-224. Gas System Transport Rate Schedule – Industrial and Sec. 24-225. Gas System Interruptible Rate Schedule – Industrial and Sec. 24-225. Gas System Interruptible rate schedule-industrial are hereby amended by deleting said sections in their entirety and replacing them as follows:

Sec. 24-224. Gas system manufacturing rate schedule—Interruptible Manufacturing.

- (a) *Availability.* Available in all areas served by the city's natural gas system where sufficient capacity is available, subject to the city's service rules and regulations.
- (b) *Code 44 - interruptible - small - manufacturing.*

Applicability. This rate is applicable to all customers with a minimum average consumption of one hundred (100) decatherms per day and using less than twenty thousand (20,000) decatherms on an annual monthly average. No gas may be resold or transported to other premises.

Monthly service charge	\$200.00
1st 1,500 decatherms @	0.80
Next 1,500 decatherms @	0.70
Next 15,000 decatherms @	0.60
Next 82,000 decatherms @	0.48
All additional decatherms @	0.36
Capital improvements	0.228/decatherms
Storage fee	0.30/decatherms
Plus PGCI	

(c) *Code 46 – interruptible – large - manufacturing*

Applicability. This rate is applicable to all customers with a minimum average consumption of one hundred (100) decatherms per day and using more than twenty thousand (20,000) decatherms on an annual monthly average. No gas may be resold or transported to the premises.

Monthly service charge	\$200.00
1st 20,000 decatherms @	0.55
Next 80,000 decatherms @	0.488
Next 200,000 decatherms @	0.345
All over 300,000 decatherms @	0.14
Capital improvements	0.228/decatherms
Storage fee	0.30/decatherms
Plus PGCIH	

(d) *Code 49 - interruptible manufacturing incentive.*

Applicability. This rate is applicable to all customers with a minimum average consumption of three thousand (3,000) decatherms per day and using more than one hundred thousand (100,000) decatherms on an annual monthly average. No gas may be resold or transported to other premises.

Monthly Service Charge	\$200.00
1st 25,000 decatherms @	0.46
Next 75,000 decatherms @	0.38
Next 200,000 decatherms @	0.126
All over 300,000 decatherms @	0.12
Capital improvements	0.228/decatherms
Storage fee	0.30/decatherms
Plus PGC III	

Sec. 24-225. Gas system interruptible rate schedule—Interruptible Industrial.

(a) *Availability.* Available in all areas served by the city's natural gas system where sufficient capacity is available, subject to the city's service rules and regulations.

(b) *Code 45 – interruptible - industrial*

Applicability. This rate is applicable to all industrial customers with a minimum consumption of one hundred (100) decatherms per day. No gas may be resold or transported to other premises.

Monthly service charge	\$100.00
1st 1,500 decatherms @	0.80
Next 1,500 decatherms @	0.70
Next 15,000 decatherms @	0.60
Next 82,000 decatherms @	0.48
All additional decatherms @	0.36
Plus PGCII	

(c) *Code 45A - interruptible asphalt manufacturing facility.*

Applicability. This rate is applicable to all asphalt manufacturing facilities. All gas must be purchased from the City of Cartersville. No gas may be resold or transported to other premises.

Monthly service charge	\$200.00
1st 1,500 decatherms @	0.80
Next 1,500 decatherms @	0.70
Next 15,000 decatherms @	0.60
Next 20,000 decatherms @	0.48
Capital improvements	0.228/decatherms
Plus PGCII	

2.

That Division 3. Capacity Brokering. Sec. 24-228. In General., is hereby amended by deleting paragraphs (a), (d), and (e) in their entirety, and replacing them as follows:

Sec. 24-228. In general.

- (a) *Excess capacity.* That the City of Cartersville Gas System (CGS) has entered into various agreements with Southern Natural Gas Company (Southern) and Williams (Transco) whereby CGS has reserved firm capacity to serve its firm requirements. For the reservation of this firm capacity CGS pays Southern and Transco a monthly reservation fee. From time to time, CGS has excess firm capacity that it may wish to broker. CGS, at its sole discretion, will determine when there is excess firm capacity to broker. CGS will offer the excess firm capacity first to *Code 44 - interruptible - small – manufacturing, Code 46 – interruptible – large – manufacturing, Code 49 - interruptible manufacturing incentive, Code 45A - interruptible asphalt manufacturing facility customers* and then to other outside CGS. Brokering of capacity within CGS is limited to CGS transportation customers. Excess capacity will be disposed of through the bidding process at a market sensitive price calculated using the average price of Natural Gas Intelligence Gas Price Index for "Spot Gas Prices," "Delivered to Pipelines," "30 Day supply Transaction," "Southern Louisiana," "Southern Natural," "Contract Index," and Inside FERC's Gas Market Report for "Prices of Spot Gas Delivered to Pipelines," "Southern Natural Gas Co.," "Louisiana," "Index." plus a 4% adder and all other applicable delivery charges.
- (d) *Bidding.* When CGS has determined that excess capacity is available, it will solicit sealed bids from those qualified transportation customers for the excess capacity. A bidder may bid on a portion or all of the excess capacity. Only bids of \$0.10 per dekatherm or greater will be accepted. The excess capacity, if brokered, will be awarded to the bidder(s) whose bid is determined by CGS to be in CGS best economic interest. CGS reserves the right to reject any an all bids. If CGS rejects any or all bids, or if excess capacity remains after the initial bidding process, CGS may offer the excess capacity to others outside CGS. CGS reserves the right to reject any and all bids.
- (e) *Recall ability.* Any capacity brokered is recallable with a minimum 4-hour notice, for either CGS system supply or in the event of a limitation on either Southern's and/or Transco's system. However, anytime capacity is recalled, that capacity will be recalled starting with the lowest price bid and moving up in price until the amount of capacity needed is recalled. Whenever capacity is recalled, the price bid will be prorated for the days that the capacity was not available in a given month.

3.

That Division 4. Natural Gas System Terms of Service. Sec. 24-231. Generally., is hereby amended by deleting in its entirety paragraph (h) and (i) and replacing them as follows:

Sec. 24-231. Generally.

- (h) A capital improvement charge of \$0.0228/therm shall be applied to all purchased gas costs.
- (i) *Determination of therms or decatherms.*

- (1) For accounts billed in therms, the gas for any billing period, expressed in hundreds of cubic feet, shall be multiplied by the average BTU of the gas send-out as determined below and divided by one hundred thousand (100,000) in order to determine the number of therms consumed.
- (2) For accounts billed in decatherms, the gas for any billing period, expressed in thousands of cubic feet, shall be multiplied by the average BTU of the gas sendout as determined below and divided by one million (1,000,000) in order to determine the number of decatherms consumed.
- (3) The average BTU of the gas send-out for billing purposes shall be calculated for each calendar month from the weighted average BTU of natural gas delivered to city by the city's suppliers.

4.

That Division 4. Natural Gas System Terms of Service. Sec. 24-231. Generally., paragraph (1) Definitions, is hereby amended by deleting the definitions for Direct Transportation Service, Gas, Index Base, PCGI, PCGII, PGCI, and Total Index Cost, replacing them as follows and adding a new definition for Transco or Williams/Transco as follows. The remaining definitions shall remain as is.

Sec. 24-231. Generally.

- (1) *Definitions.* For purposes hereof:

Direct transportation service means the delivery by city to a customer of user-owned gas received by city from Southern or Transco.

Gas shall mean natural gas of merchantable quality consisting primarily of methane and conforming to the quality specifications contained in the Southern and Transco FERC Gas Tariffs.

Index base rate means the cost per decatherm of natural gas, plus any adders, adjusted for lost and unaccounted for, equivalent to the cost per therm, as delivered to the customer's burner tip or other point of utilization, of the customer's alternate fuel.

PGCI means an average cost calculated using the first of the month index from the publication "Inside FERC" for SNG and/or the actual gas cost whichever is greater, plus a 7% adder, plus the projected yearly demand charges based upon Southern and Transco's current monthly demand charges as billed during the calendar month of consumption divided by the prior calendar year's firm consumption plus any applicable surcharges and a two (2) percent add-on for lost and unaccounted for gas. In the event the city's actual annual demand charges paid Southern is more or less than collected from the city's firm customers no adjustments will be made.

PGCII means an average cost calculated using the first of the month index from the publication "Inside FERC" for SNG and/or the actual gas cost whichever is greater, plus a 7% adder, plus Southern's one hundred (100) percent load factor transportation rate as billed during the calendar month of consumption plus any applicable surcharges and a two (2) percent add-on for lost and unaccounted for gas.

PGCIII means an average cost calculated using the first of the month index from the publication "Inside FERC" for SNG and/or the actual gas cost whichever is greater, plus a 7% adder, plus Southern's one hundred twenty-five (125) percent load factor transportation rate as billed during the calendar month of consumption plus any applicable surcharges and a two (2) percent add-on for lost and unaccounted for gas.

Total index cost means the index cost of spot gas plus the cost of transportation to the city's facilities by Southern Natural Gas and Williams Transco at the pipeline transportation rate, plus any applicable adders, adjusted for lost and unaccounted for gas.

Transco or Williams/Transco means The Williams Company Inc.

5.

That Division 4. Natural Gas System Terms of Service. Sec. 24-232. Interruptible direct transportation rider., and Sec. 24-234. Interruptible transportation and sales maintenance (ITSM) rider., are to be deleted in their entirety and replaced with the following:

Sec.. 24-232. Reserved

Sec. 24-234. Reserved.

6.

That Division 4. Natural Gas System Terms of Service. Sec. 24-233. Industrial Interruptible Service., paragraphs (C)(2)d.; (C)(3)b.; (C)(4); and (d)(2) are to be deleted in their entirety and replaced as follows:

Sec. 24-233. Industrial interruptible service.

(C)

(2) *Authorized overrun gas.*

d. Gas sold under this rider will be shown separately on city's invoice.

1. *Surcharge.* The charge for all decatherms purchased under this rider, in addition to the rates and charges otherwise payable under the interruptible schedule applicable to the customer is as follows:

Per decatherm \$3.00

(3)

b. To require customer to pay city a charge of two (2) times Southern and or Transco's Natural Gas penalty charge per decatherm for all unauthorized gas taken, in addition to the regular charge for such gas.

- (4) *Capital improvements.* A charge of \$0.228/decatherm shall be applied to all volumes for capital improvements.
- (d) *Character of service.*

- (2) It is contemplated that all gas received into city's system will be gas delivered out of a commingled stream from the pipeline system of Southern Natural Gas and Williams Transco. The service contemplated hereunder is of an industrial character and city does not guarantee the chemical composition or specific gravity of the gas delivered, nor does city guarantee such gas to be free from interruptions or fluctuations in delivery pressure or that the chemical composition or specific gravity of the gas delivered may not vary from time to time. There is no warranty, express or implied, as to the fitness of gas delivered pursuant to this schedule for use in the customer's operations.

7.

It is the intention of the city council and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of Ordinances, City of Cartersville, Georgia, and the sections of this ordinance may be renumbered to accomplish such intention and any ordinance or part thereof not amended shall remain in effect and be unchanged.

BE IT AND IT IS HEREBY ORDAINED.

FIRST READING: _____
SECOND READING: _____

MATTHEW J. SANTINI, MAYOR

ATTEST: _____
JULIA DRAKE, CITY CLERK