

ORDINANCE 2025-1138

AN ORDINANCE TO AMEND TITLE 19, CHAPTER 3 OF THE MOUNT PLEASANT
MUNICIPAL CODE RELATING TO GAS

WHEREAS, Title 19, Chapter 3 of the Mount Pleasant Municipal Code deals with gas and is subject to change by ordinance; and,

WHEREAS, Title 19, Chapter 3 was last modified by Ordinance 2021-1064; and,

WHEREAS, it is in the best interests of the City of Mount Pleasant to revise, update and modify the gas ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF MOUNT PLEASANT, TENNESSEE, AS FOLLOWS:

Section 1. That Title 19, Chapter 3, Gas is amended by deleting subsection 19-305 and replacing it with the following language:

19-305. Connection Charges. The city will provide a gas connection, or tap, and a $\frac{3}{4}$ " gas meter at the cost of three-hundred dollars (\$300) to new residential gas customers within the current gas system service area who apply for gas service and have a natural gas appliance properly and permanently installed in their residence or accessory structure. The cost of new service line will be five (\$5.00) per foot.

The city will provide a gas connection, or tap, and a $\frac{3}{4}$ " gas meter at the cost of three-hundred dollars (\$300) to new commercial gas customers within the current gas system service area who apply for gas service and have a natural gas appliance properly and permanently installed in their residence or accessory structure. The cost of new service line will be five (\$5.00) per foot.

All customers requesting a larger gas meter or tap will have to submit to the Utility Department for review. Upgraded tap, service line, and meter fees shall be set by the city manager and the gas inspector, based on the cost of equipment, labor, and materials furnished.

All taps, meters, regulators, and service lines, including those installed at the cost of the customer, shall become the property of the municipal natural gas system. Service installation for old customers at new locations will be handled as a new connection; however, no charge will be made if a service connection at a new location exists.

Section 2. That Title 19, Chapter 3, Gas is amended by deleting subsection 19-306 and replacing it with the following language:

19-306. Customer maintenance charge. A customer maintenance fee will be issued to residential, commercial, and industrial customers. This fixed monthly charge is the basic fee for the customer/user gas service. It does not fluctuate with usage and does not include any consumption. This fee is intended to cover Mt. Pleasant Gas System's costs of maintaining and keeping customer/user account records active (data processing, meter reading, billing, etc.). Customer maintenance fees are as follows:

Customer Type	Fee Amount
Residential	\$5 per month
Commercial	\$25 per month
Industrial	\$75 per month

Section 3. That Title 19, Chapter 3, Gas is amended by deleting subsection 19-307 and replacing it with the following language:

19-307. Schedule of rates. (1) Rates to Mt. Pleasant Gas System "firm" customers for natural gas will be calculated based on the formula set forth below. "Firm" customers is intended to mean those customers/users who are guaranteed delivery of natural gas except in cases of force

majeure or system emergencies and include primarily residential customers/users but also encompasses other types of customers/users. As to such "firm" customers/users the natural gas rate (charge) for such customers/users is the cost to Mt. Pleasant Gas System billed to the Mt. Pleasant Gas System by the natural gas supplier based upon the Natural Gas NYMEX Product Cost Index plus Pipeline Charges, Storage and other Pipeline Related Fees, a 3% Gas Fuel Delivery and Unaccounted For Charge, a 10% Reserve Fund Charge, Mt. Pleasant Gas System Cost of Operation, Maintenance and Administration all of which establishes the delivered cost to Mt. Pleasant Gas System customers/users on a per Dekatherm basis (DTH – an energy measurement). The Dekatherm charge is then converted to an energy measurement in Million Cubic Feet (MCF) resulting in the rate/charge invoiced to the customer/user in MCF's. Stated another way, the rate/charge is based upon the following formula:

Product Cost (Including discretionary portion of Monthly Fluctuating Gas Discount)

+ Pipeline Charges, Storage, and Other Pipeline Related Fees
+ 3% Gas Fuel Delivery and Unaccounted For Charge
+ 10% Capital Reserve Fund Charge
+ MPGS Cost of Operation, Maintenance, and Administration
= Delivered Cost to Consumer (DTH)
x DTH to MCF Conversion Factor
= Delivered Cost of Gas (MCF)

(2) For purposes of the formula set forth in Sec. 19-307(a), the "MPGS Cost of Operation, Maintenance, and Administration" is \$6.70.

(3) The billing rate will be adjusted each month to reflect changes in the Mt. Pleasant Gas System cost of natural gas. In this regard, the cost of natural gas and an adequate supply thereof may be calculated using an average cost of natural gas purchased at different times and in different amounts in order to reflect Mt. Pleasant Gas System's attempts to purchase in advance in order to secure favorable product prices.

(4) The exception to the foregoing rate/charge schedule will be large volume customers/users who have entered into separate contracts with Mt. Pleasant Gas System to be provided natural gas under pricing agreements specifically structured to reflect their particular circumstances and volume of use.

(5) All gas service including the formula referred to in subsection 19-307(a), the deposit referred to in section 19-304, the customer maintenance charge referred to in section 19-306, and the connection charge referred to in section 19-305 or the reconnection charge referred to in section 19-311, shall be furnished under such rate schedules as the board of directors of the city gas department may adopt from time to time by appropriate ordinance or resolution.

Section 4. That Title 19, Chapter 3, Gas is amended by deleting subsection 19-309 and replacing it with the following language:

19-309. Customer billing and payment policy. (1) Gas bills shall be rendered monthly and shall designate a standard net payment period for all customers of not less than ten (10) days after the date of the bill. Failure to receive a bill will not release a customer from payment obligation. There is established for all customers a late payment charge not to exceed ten percent (10%) for any portion of the bill paid after the net payment period.

(2) The customer's bill should be paid on or before the fifteenth day of each month in order to receive the net price on the monthly bill. Payments received after the fifteenth of each month but prior to the twenty-fifth of each month, will incur a ten percent (10%) late penalty charge.

(3) Payment must be received no later than the due date. If the due date falls on Saturday, Sunday or a city holiday, net payment will be accepted if paid on the next business day.

(4) Customers may receive an extension to pay their monthly bill upon written request to the city manager or the director of public works. To receive an extension, the customer must make the request at least two (2) days prior to the disconnect date and have justifiable cause. Further, the customer must pay fifty percent (50%) of the outstanding bill at the time the payment extension agreement is initiated and the remaining fifty percent (50%) within two (2) weeks from said date. A request for a payment extension is limited to two (2) per year if based upon justifiable cause and a second request may not be made while an extension is in effect. Failure to abide with the terms and conditions of a payment extension request shall disqualify a customer from receiving another extension.

(5) If a meter fails to register properly, or if a meter is removed to be tested or repaired, or if gas is received other than through a meter, the city reserves the right to render an estimated bill based on the best information available.

Section 5. If any one or more of the provisions of this Ordinance, or any exhibit or attachment thereof, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Ordinance, and the exhibits and attachments thereof, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 6. This Ordinance shall take effect upon final passage.

Approved and adopted this _____ day of _____, 2025.

WILLIAM F. WHITE, JR., MAYOR

ATTEST:

SHIPRAH COX, RECORDER

LEGAL FORM APPROVED:

KORI BLEDSOE JONES, ATTORNEY

PASSED ON FIRST READING: _____

PASSED ON SECOND READING: _____