

AN ORDINANCE No. 87-56-53

ADOPTED MAR 23 1987

To amend and reordain Sections 30-240, 30-244, and 30-245 of Chapter 30, Water, Gas and Sewers, of the Code of the City of Richmond, 1985, concerning special purchase gas deliveries to customers eligible for use.

Patron - City Manager

Approved as to form and legality by City Attorney

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Sections 30-240, 30-244, and 30-245 of the Code of the City of Richmond, 1985, be and are hereby amended and reordained as follows:

Sec. 30-240. Large Volume General Gas Service

The following rates and charges shall apply for gas furnished to customers qualifying for large volume general gas service:

SCHEDULE CIS

(1) Application. This section shall apply to use of service for all purposes at locations within the service area where service is available.

(2) Monthly Rate:

- a. Demand charge (per month) per 100 cubic feet \$0.527
b. Commodity charge, per 100 cubic feet \$0.598

(3) Purchased gas adjustment. The charges specified in the Commodity Charge are subject to an adjustment per 100 cf for increases or decreases in the costs associated with purchased pipeline gas or any gas used as a substitute for or supplement to purchased pipeline gas.

(4) Minimum charge. The minimum charge shall be four hundred sixty-five dollars (\$465.00) per month.

(5) Determination of demand. The demand may, at the option of the Director of Public Utilities of the City, be determined either by measurement or by estimate.

a. By Measurement - The demand in any month shall be the highest use of gas in Ccf in any period of 24 consecutive hours as measured by a demand meter.

b. By Estimate - The demand in any month shall be taken as 1/20 of the Ccf used in such month.

(6) Billing demand. The demand in any month shall be the higher of:

a. The demand as determined in such month by measurement or by estimate.

b. The highest billing demand in any of the preceding months of November through April.

For new customers or customers transferring from another rate schedule the highest billing demand in (b) may,

at the option of the director of public utilities, be estimated based on the proposed use of service.

(7) Utility tax. Bills rendered under this schedule shall be subject to any applicable utility tax.

(8) Term of contracts. Contracts for gas service made under this schedule shall be one year and may automatically be renewed from year to year unless cancelled by the customer or the director of public utilities upon thirty days' written notice to that effect, given before the beginning of any contract year.

(9) Special provisions:

a. Restricted use. The use of gas by customers under this schedule may be restricted by the director of public utilities whenever necessary to supply customers under schedules RS, RPS and GS.

a.1. Temporary purchases. From time to time the city may be able to arrange special purchase gas deliveries which are eligible for use by customers served under this schedule at a price lower than the commodity charge specified in the schedule. If such opportunity arises, the city shall notify customers eligible for such deliveries

under this schedule of the availability,
price, and other terms and conditions
associated with such special gas deliveries,
and will upon receipt of written authorization
from the customer purchase and deliver the
quantity of gas specified by the customer, or
so much thereof as is available.

- b. Incremental pricing surcharge. Any industrial customer subject to the provisions of the Natural Gas Policy Act of 1978, but not qualifying for exemption under Section 206 or other applicable sections of the Act, shall be billed at a price per one thousand (1,000) cubic feet which will be the higher of:
1. The rate under this section as adjusted by the currently effective purchased gas adjustment.
 2. The applicable alternative fuel price ceiling of residual fuel oil as published on a monthly basis for the state by the energy information administration of the the department of energy.

In the application of this provision, all sums received in excess of the amount calculated in (1) above shall be

used to reduce the rates to all customers not subject to the incremental alternative fuel pricing provision of the Act, by including these sums as credits to the Purchased Gas Adjustment.

Sec. 30-244. Interruptible gas service.

The following rates, charges and conditions shall apply to customers provided interruptible gas service:

SCHEDULE IS

(1) Application. Gas service shall be supplied for any user having gas facilities with a consuming capacity of three million (3,000,000) Btu per hour at locations within the service area where facilities are available to supply the amount of gas requested by the customer, subject to the conditions as set forth herein:

- a. The customer has installed and in regular use equipment, which shall be described in the contract, having a gas-consuming capacity of not less than three million (3,000,000) Btu per hour and agrees to use the gas supplied hereunder only in the operation of such equipment;
- b. Gas delivered hereunder shall be separately metered and shall not be used interchangeable with gas supplied under any other schedule;

less than fifty thousand (50,000) cubic feet of gas is delivered in any month by reason of interruption or curtailment of service by the city, the monthly bill shall be computed on the basis of actual gas delivered at the rate of fifty-eight and nine-tenths cents (\$0.589) per one hundred (100) cubic feet. The term "month", as used in this section, shall be deemed to mean the period between any two (2) consecutive readings of meters by the city, such readings to be made as near as practicable every thirty (30) days.

(5) Utility tax. Bills rendered under this schedule shall be subject to any applicable utility tax.

(6) Term of contracts. Contracts for gas service made under this section shall be one year and may automatically be renewed from year to year, unless cancelled by the customer or the director upon ninety (90) days' written notice to that effect given before the beginning of any contract year. However, in the event that the city council should increase the cost of the gas applicable to contracts under this section, the customer shall have the right to terminate the contract by giving the city thirty (30) days' written notice after the effective date of such rate increase.

(7) Special provisions:

- a. Discontinuance of use at the request of director. A customer may use gas at any time

- c. The maximum daily quantity of gas to be delivered hereunder, expressed in cubic feet, shall be specified in the contract and may be increased only by the execution of a new contract.
- d. The customer has standby equipment installed and maintained in operating condition and a fuel supply adequate for its operation when gas service is interrupted.

A day shall be a period of twenty-four (24) consecutive hours, beginning as near as practicable at 8:00 a.m. or as otherwise agreed upon by the customer and the director of public utilities of the city.

(2) Monthly rate. Commodity charge, fifty-eight and nine-tenths cents (\$0.589) per one hundred (100) cubic feet.

(3) Purchased gas adjustment. The charges specified in the commodity charge are subject to an adjustment per one hundred (100) cubic feet for increases or decreases in the costs associated with purchased pipeline gas or any gas used as a substitute for or supplement to purchased pipeline gas.

(4) Minimum monthly charge. Each monthly bill for gas shall not be less than three hundred sixty dollars (\$360.00) except in months when the city delivers less than fifty thousand (50,000) cubic feet as hereinafter provided. When

provided that a customer agrees to curtail or discontinue the use of service when requested by the director, on thirty (30) minutes' notice, at any time whenever in the director's sole judgment, such gas is not available for delivery hereunder.

- b. Temporary purchases. When a customer is offered volumes of gas from a natural gas supplier other than the city, such gas may be made available to such customer to the extent that the city has adequate facilities for transporting and delivery of such volumes upon execution of a service agreement. The monthly charge for transportation for such volumes shall be \$0.0653 per Ccf delivered. The volume of gas transferred shall be the volume delivered to the city by customer at point of delivery, less an allowance for unaccounted for gas.

From time to time the city may be able to arrange special purchase gas deliveries which are eligible for use by customers served under this schedule at a price lower than the commodity charge specified in the schedule.

If such opportunity arises, the city shall

notify customers eligible for such deliveries under this schedule of the availability, price, and other terms and conditions associated with such special gas deliveries, and will upon receipt of written authorization from the customer purchase and deliver the quantity of gas specified by the customer, or so much thereof as is available.

- c. Unauthorized use of gas. All gas taken by a customer on any day during a period of interruption without the express permission of the director and all gas taken by a customer on any day during a curtailment period in excess of the volume of gas authorized by the director shall be paid for by the customer at the rate of twenty-five dollars (\$25.00) per one thousand (1,000) cubic feet, in addition to all other charges payable under this rate schedule. The director may waive any such additional charges for unauthorized use of gas if the city's cost of gas is not affected by such unauthorized use by the customer.
- d. Incremental pricing surcharge. Any industrial customer subject to the provisions of the Natural Gas Policy Act of 1978, but not

qualifying for exemption under Section 206 or other applicable sections of the Act, shall be billed at a price per one thousand (1,000) cubic feet which will be the higher of:

1. The rate under this section as adjusted by the currently effective purchased gas adjustment.
2. The applicable alternative fuel price ceiling of residual fuel oil as published on a monthly basis for the state by the energy information administration of the department of energy.

In the application of this provision, all sums received in excess of the amount calculated in 1. above shall be used to reduce the rates to all customers not subject to the incremental alternative fuel pricing provision of the Act, by including these sums as credits to the purchased gas adjustment.

Sec. 30-245. Large Volume Interruptible Gas Service.

The following rates, charges and conditions shall apply when the City of Richmond supplies gas to customers that qualify for "Large Volume Interruptible Gas Service":

SCHEDULE LVIS

(1) Application. Gas service shall be supplied to any user at locations within the service area where facilities are available to supply the amount of gas requested by the customer and No. 6 fuel oil is used in the standby equipment, subject to the conditions as set forth herein:

- a. The customer has installed and in regular use equipment, which shall be described in the contract, and agrees to use the gas supplied hereunder only in the operation of such equipment;
- b. Gas delivered hereunder shall be separately metered and shall not be used interchangeably with gas supplied under any other schedule;
- c. The maximum daily quantity of gas to be delivered hereunder, expressed in cubic feet, shall be specified in the contract and may be increased only by the execution of a new contract.
- d. The customer has standby equipment installed and maintained in operating condition and a fuel supply adequate for its operation when gas service is interrupted.

A day shall be a period of twenty-four consecutive hours, beginning as near as practicable at 8:00 a.m. or as otherwise agreed upon by the customer and the Director of Public Utilities of the City.

(2) Monthly Rate. The monthly charge per one hundred (100) cubic feet shall be the higher of:

- a. The posted customer tank car price, adjusted for Btu equivalence, as published on the 20th day of the preceding month in the Journal of Commerce for No. 6 fuel oil with a 2.0 - 2.5% sulfur content for the Norfolk or Baltimore Terminal Point, whichever is lower, and adjusted for any applicable taxes; or
- b. The monthly purchased commodity cost of gas under Commonwealth Gas Pipeline Corporation's Rate Schedule CD-1, or any other rate schedule made available to the city, adjusted for Btu equivalency, losses, delivery charges and applicable taxes.

(3) Minimum monthly charge. Each monthly bill for gas shall not be less than seven hundred eighty dollars (\$780.00) except in months when the city delivers less than one hundred fifty thousand (150,000) cubic feet as hereinafter provided. When less than one hundred fifty thousand (150,000) cubic feet of gas is delivered in any month by reason of interruption or curtailment of service by the city, the monthly bill shall be computed on the basis of actual gas delivered at the monthly rate per one hundred

(100) cubic feet as set forth above. The term "month", as used in this section, shall be deemed to mean the period between any two consecutive readings of meters by the city, such readings to be made as near as practicable every thirty (30) days.

(4) Utility tax. Bills rendered under this schedule shall be subject to any applicable utility tax.

(5) Special provisions:

- a. Discontinuance of use at the request of director. A customer may use gas at any time provided that the customer agrees to curtail or discontinue the use of service when requested by the director, on thirty (30) minutes' notice, at any time whenever in the director's sole judgment, such gas is not available for delivery hereunder.
- b. Temporary purchases. When a customer is offered volumes of gas from a natural gas supplier other than the city, such gas may be made available to such customer to the extent that the city has adequate facilities for transporting and delivery of such volumes upon execution of a service agreement. The monthly charge for transportation for such volumes shall be four and seven tenths cents (\$0.047) per one hundred (100) cubic feet

delivered. The volume of gas transported shall be the volume delivered to the city by customer at point of delivery, less an allowance for unaccounted for gas.

From time to time the city may be able to arrange special purchase gas deliveries which are eligible for use by customers served under this schedule at a price lower than the price provided under (a) or (b) of this schedule. If such opportunity arises, the city shall notify customers eligible for such deliveries under this schedule of the availability, price, and other terms and conditions associated with such special gas deliveries, and will upon receipt of written authorization from the customer purchase and deliver the quantity of gas specified by the customer, or so much thereof as is available.

- c. Unauthorized use of gas. All gas taken by a customer on any day during a period of interruption without the express permission of the director and all gas taken by a customer on any day during a curtailment period in excess of the volume of gas authorized by the director shall be paid for by the customer at the rate of twenty-five dollars (\$25.00) per

one thousand (1,000) cubic feet, in addition to all other charges payable under this rate schedule. The director may waive any such additional charges for unauthorized use of gas if the city's cost of gas is not affected by such unauthorized use by the customer.

- d. Incremental pricing surcharge. Any industrial customer subject to the provisions of the Natural Gas Policy Act of 1978, but not qualifying for exemption under Section 206 or other applicable sections of the Act, shall be billed at a price per one thousand (1,000) cubic feet which will be the higher of:
 1. The monthly rate per 100 cubic feet as set forth above.
 2. The applicable alternative fuel price ceiling of residual fuel oil as published on a monthly basis for the state by the energy information administration of the department of energy.

In the application of this provision, all sums received in excess of the amount calculated in (1) above shall be used to reduce the rates to all customers not subject to the incremental alternative fuel pricing provision of the Act, by including these sums as credits to the Purchased Gas Adjustment.

ORDINANCE OR RESOLUTION SUMMARY CITY OF RICHMOND, VIRGINIA

Resolution Ordinance No. 87-56	Subject
Requested by City Manager	To Add - Additional Provisions in Gas Rate Schedules
Received City Manager's Office	
Summarized 3/17/87	

SUMMARY

This Ordinance would amend Sections 30-240, 30-244 and 30-245 of the Code of the City of Richmond to allow the Department of Public Utilities to arrange for special purchase gas deliveries to customers eligible for use (customers qualifying for large volume general gas service).

Amendment as follows:

From time-to-time the City of Richmond may be able to arrange special purchase gas deliveries which are eligible for use by customers served under this schedule at a price lower than the price provided under (a) or (b) of this schedule. If such opportunity arises, the City shall notify customers eligible for such deliveries under this schedule of the availability, price, and other terms and conditions associated with such special gas deliveries, and will upon receipt of written authorization from the customer, purchase and deliver the quantity of gas specified by the customer, or so much thereof as is available.

COUNCIL ACTION

On Docket	3/23/87
Amended	
Adopted	
Rejected	