

INTRODUCED: March 6, 2020

AN ORDINANCE No. 2020-064

To amend City Code §§ 28-191, 28-192, 28-194, 28-195, 28-196, 28-198, 28-199, 28-200, 28-201, 28-202, 28-203, and 28-204, concerning gas service, for the purpose of changing the measurement of natural gas from quantities per thousand cubic feet to quantities per hundred cubic feet, and to amend and reordain the fees set forth in Appendix A of the City Code for sections 28-191(2) and 28-191(3) (concerning fees for residential gas service), 28-192(2) (concerning fees for residential gas peaking service), 28-193(2) (concerning fees for general gas service), 28-193(3) (concerning fees for small commercial gas sales), 28-194(2) (concerning fees for large volume gas service), 28-195(f) and 28-196(f) (concerning fees for transportation service), 28-198(2) and 28-198(3) (concerning fees for municipal gas service), 28-199(c), 28-100(d), and 28-199(g)(2), (concerning flexibly priced interruptible gas service), 28-200(2), 28-200(3) and 28-200(4) (concerning unmetered gaslight service), 28-201(c) (concerning gas air conditioning service), 28-202(c) (concerning fees for large volume gas sales service), 28-203(c) (concerning fees for large volume, high load factor, gas sales service), and 28-204(b) and 28-204(c) (concerning fees for natural gas vehicle gas service) of the City Code, effective as of the date of rendering bills for Cycle I in July 2020, to establish revised charges for such services.

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Patron – Mayor Stoney  
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Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: APR 13 2020 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

AYES:            8            NOES:            0            ABSTAIN:        \_\_\_\_\_

ADOPTED: \_\_\_\_\_ REJECTED: \_\_\_\_\_ STRICKEN:      APR 20 2020

§ 1. That sections 28-191, 28-192, 28-194, 28-195, 28-196, 28-198, 28-199, 28-200, 28-201, 28-202, 28-203, and 28-204 of the Code of the City of Richmond (2015) be and are hereby amended and reordained follows:

**Sec. 28-191. Residential gas service (schedule RS).**

The following rates and charges shall apply for gas provided for residential purposes in individual residences, owner-occupied duplexes or nonprofit facilities that provide transitional housing for residential use on a regular basis by homeless persons (other than residences qualifying for "residential gas peaking service"):

**SCHEDULE RS**

(1) *Application.* This section shall apply to use of service for residential purposes in individual residences, owner-occupied duplexes or nonprofit facilities that provide transitional housing for residential use on a regular basis by homeless persons served by one meter at locations within the service area where service is available.

(2) *Monthly rate.*

a. Monthly rates for gas under schedule RS shall be as set forth in Appendix A to this Code.

b. This charge is for the costs associated with purchased gas or any gas used as a substitute for or supplement to purchased gas and is subject to monthly adjustments per [~~thousand~~] hundred cubic feet for increases or decreases for any such cost. The Director of Public Utilities shall calculate the cost of natural gas each month and prepare a pro forma forecast of total gas commodity cost recovery balance for the end of the current fiscal year. The Director of Public Utilities may increase or decrease the purchased gas cost rate during the subsequent month to recover the cost of purchased gas by the end of

the fiscal year. The Director of Public Utilities shall promptly notify the Chief Administrative Officer of changes to purchase gas cost rates. In addition, adjustments applicable under the weather normalization clause shall be as set forth in Section 28-106.

(3) *Minimum charge.* The minimum charge shall be as set forth in Appendix A to this Code.

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

(5) *Term of contracts.* Contracts for gas service made under this schedule shall be cancellable at any time. A customer cannot resume service within one month at the same location without paying the prescribed charges during the intervening period in accordance with this section.

(6) *Special provisions.*

a. *Equal monthly and levelized payment plans.* A customer may have the option, with the consent of the Director of Public Utilities, of paying for service taken under this schedule for a limited period in equal monthly or levelized amounts based on the application of the rate to the estimated usage during the period. The Director of Public Utilities shall establish rules and regulations for administering these plans in accordance with Section 28-26. At the discontinuance of service, the customer shall pay or be given credit for the difference between the amount paid and the charges for the actual usages under this rate. This payment or refund shall be made under such arrangements as may be agreed upon by the customer and the Director of Public Utilities.

b. *Discontinuance of service.* A customer who uses gas in accordance with this schedule for space heating exclusively, may discontinue such use. After such use is

discontinued, if the customer requests that the service be restored, a charge as set forth in Appendix A to this Code shall be paid for restoring the service if the request is made within 12 months from the date the service is discontinued.

**Sec 28-192. Residential gas peaking service (schedule RPS).**

The following rates and charges shall apply when the City furnishes gas for residential purposes to customers eligible for "residential gas peaking service":

**SCHEDULE RPS**

(1) *Application.* This section shall apply to the use of service for residential purposes in individual residences at locations within the service area where service is available and the customer has an electric heat pump installed in such a manner that the gas heating equipment is used for peaking or supplementary purposes.

(2) *Monthly rate.*

a. Monthly rates under schedule RPS shall be as set forth in Appendix A to this Code.

b. This charge is for the costs associated with purchased gas or any gas used as a substitute for or supplement to purchased gas, and is subject to monthly adjustments per [~~thousand~~] hundred cubic feet for increases or decreases for any such cost. The Director of Public Utilities shall calculate the cost of natural gas each month and prepare a pro forma forecast of total gas commodity cost recovery balance for the end of the current fiscal year. The Director of Public Utilities may increase or decrease the purchased gas cost rate during the subsequent month to recover the cost of purchased gas by the end of the fiscal year. The Director of Public Utilities shall promptly notify the Chief

Administrative Officer of changes to purchase gas cost rates. In addition, adjustments applicable under the weather normalization clause shall be as set forth in Section 28-106.

(3) *Minimum charge.* The minimum charge shall be as set forth in Appendix A to this Code.

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

(5) *Term of contracts.* Contracts for gas service made under this section shall be cancelable at any time, provided that a customer cannot resume service within one month at the same location without paying the prescribed charges during the intervening period in accordance with this section.

**Sec. 28-194. Large volume general gas service (schedule CIS).**

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 the use of service for all purposes at locations within the service area where service is available.

(2) *Monthly rate.*

a. Monthly rates under schedule GS shall be as set forth in Appendix A to this Code.

b. This charge is for the costs associated with purchased gas or any gas used as a substitute for or supplement to purchased gas and is subject to monthly adjustments per [~~thousand~~] hundred cubic feet for increases or decreases for any such cost. The Director of Public Utilities shall calculate the cost of natural gas each month and prepare a pro

forma forecast of total gas commodity cost recovery balance for the end of the current fiscal year. The Director of Public Utilities may increase or decrease the purchased gas cost rate during the subsequent month to recover the cost of purchased gas by the end of the fiscal year. The Director of Public Utilities shall promptly notify the Chief Administrative Officer of changes to purchase gas cost rates. In addition, adjustments applicable under the weather normalization clause shall be as set forth in Section 28-106.

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

a. *By measurement.* The demand in any month shall be the highest use of gas in [~~mef~~] 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 [~~mef~~] ccf used in such month.

(4) *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 Subsection (4)b of this section may, at the option of the Director of Public Utilities, be estimated based on the proposed use of service.

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

(6) *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 30 days' written notice to that effect. Such notice must be given before the beginning of any contract year.

(7) *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 and GS.

**Sec. 28-195. Transportation service (schedule TS).**

(a) *Scope.* The gas rates, terms and conditions in this section shall apply to customers provided transportation service under schedule TS.

(b) *Applicability.* Gas service under schedule TS is applicable as follows:

(1) This rate schedule is available throughout the service territory served by the City to all gas owned by a nonresidential customer that is transported to and on the City's gas distribution system. This service is applicable only to customers that take in excess of [~~12,000 mcf~~] 120,000 ccf over a consecutive 12-month period at the delivery point set forth in the service agreement for transportation between the City and the customer (referred to as the "service agreement"). The customer must deliver its gas to the receipt point approved by the City and set forth in the service agreement. Once the City has received the customer's gas at the receipt point, the City will transport the gas, minus the lost and unaccounted for adjustment determined under Subsection (g)(2) of this section to the delivery point. This service is available only to those customers who execute a service agreement for the service provided in this section.

(2) Daily balancing service is mandatory for all customers under this rate schedule.

(3) This service requires the installation and use of telemetering equipment at the delivery point. The City shall install, own, and maintain the telemetering and other equipment at the delivery point necessary to transmit the telemetering information to the City. The customer shall provide the dedicated telephone line necessary for the reliable operation of the telemetering equipment and the transmission of the telemetering information. The City will meter the customer's takes of gas at the delivery point. The customer shall pay for the installation of electronic measurement equipment if measurement equipment is not so equipped. Payment will be required prior to initiation of transportation service.

(c) *Character of service.* The City shall be obligated to deliver gas to the delivery point up to the lesser of the customer's transportation maximum daily quantity (TMDQ) and the daily volume of gas received by the City from the customer at the receipt, point minus the lost and unaccounted for adjustment determined under Subsection (g)(2) of this section.

(d) *Service agreement.* A service agreement shall be provided in accordance with the following:

(1) The customer shall execute a service agreement with the City which specifies the TMDQ, the receipt point, the delivery point, and the pressure at the delivery point. The service agreement shall be in the form as attached to this rate schedule on file in the City offices.

(2) The service agreement shall have an initial term of one year and then shall continue in effect for additional terms of one year until terminated by the customer or the City upon at least 30 days' written notice given prior to the end of the initial term or of any additional term.

(3) If a customer takes gas from the City under this rate schedule at more than one delivery point, these delivery points will be included in one service agreement and will be treated as a single delivery point for purposes of the customer charge, the distribution charge, the daily and monthly imbalances and imbalance charges, the TMDQ, and meeting the minimum take requirement to qualify for service under this rate schedule.

(e) *Transportation maximum daily quantity (TMDQ)*. After consulting with a customer, the City will assign the customer a TMDQ. This TMDQ will remain in effect for the term of the service agreement unless modified by written agreement of the City and the customer.

(f) *Rates and charges for transportation service*. The customer shall pay the rates and charges each month for gas for transportation service under schedule TS as set forth in Appendix A to this Code.

(g) *Receipt and delivery*. Receipt and delivery shall be in accordance with the following:

(1) The receipt point shall be at a pipeline City gate station as assigned by the City and as specified in the service agreement.

(2) The City shall retain a percentage of volumes delivered to the receipt point for a lost and unaccounted for adjustment, and the City shall be obligated to deliver at the delivery point only the remainder of the volumes received. As of the effective date of this rate schedule, the percentage of volumes retained shall be 2.5 percent.

(h) *Load balancing*. Load balancing shall be in accordance with the following:

(1) The City shall provide the customer with daily balancing service within the parameters set forth in this subsection.

(2) The customer shall provide the City with good faith, nonbinding nominations when requested by the City.

(3) The customer's daily imbalance shall be equal to the difference between:

a. The volume of gas actually delivered on a day to the receipt point by or on behalf of the customer, minus the lost and unaccounted for adjustment determined under Subsection (g)(2) of this section (net daily receipts); and

b. The customer's actual usage as determined from daily meter readings at the delivery point (daily deliveries).

A daily underdelivery shall be deemed to occur whenever net daily receipts are less than daily deliveries. A daily overdelivery shall be deemed to occur whenever net daily receipts are greater than daily deliveries.

(4) The City's charge for daily imbalances is set forth in Appendix A to this Code and shall apply to daily deliveries in excess of 110 percent of net daily receipts or the volume by which daily deliveries are below 90 percent of net daily receipts. The imbalance charge is in addition to and not in lieu of other transportation charges established by this rate schedule.

(5) Failure of the customer's transportation gas to arrive at the City gate shall result in one of two possibilities. If enough system supply is available, the customer shall purchase all gas in excess of the customer's net daily receipts at the sum of the customer's distribution charge, the balancing charge as set forth in Appendix A to this Code and the greater of either the City WACOG or 105 percent of the highest Transco Zone 6 (non-New York) price for the current month. If enough system supply is not available, the customer shall purchase all gas in excess of the customer's net daily receipts at the sum of

the customer's distribution charge, the balancing charge as set forth in Appendix A to this Code, the peak shaving price and the storage capacity price.

(6) When the customer's daily deliveries exceed the actual usage at the delivery point, the City shall purchase these "overtendered" quantities at the lower of the City WACOG or 95 percent of the Transco Zone 6 (non-New York) price for the current month.

(7) If on any day the daily imbalance, as set forth in Subsection (h)(3) of this section, exceeds ten percent, the customer shall pay a pro rata share of any upstream gas pipeline penalties incurred based upon the customer's daily imbalance in the same direction as the imbalance for which the penalty was incurred.

(i) *Utility tax.* All bills rendered under this rate schedule shall be subject to any applicable utility tax.

(j) *Force majeure.* If either the City or the customer is rendered unable, either wholly or in part, to carry out its obligations under this section because of a force majeure, the obligations of the party affected by such force majeure, other than the obligation to make payments under this section, shall be suspended during the continuance of any inability so caused, but for no longer period. Such force majeure shall, insofar as possible, be remedied with all reasonable dispatch. The term "force majeure," as used in this subsection, shall include acts of God; strikes; lockouts; wars; riots; insurrections; terrorism; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; interruptions by government or court orders; civil disturbances; explosions; breakage, freezing, or accident to lines of pipe or facilities; failure of interstate or intrastate pipeline transportation, but only if caused by an event constituting force majeure curtailment or discontinuation by such pipeline of transportation or other services; and

any other cause, whether of the kind defined in this subsection or otherwise, not within the control of the party claiming suspension and which, by the exercise of reasonable foresight, such party is unable to avoid and, by the exercise of due diligence, such party is unable to overcome.

**Sec. 28-196. Transportation service (schedule TS2).**

(a) *Scope.* The rates, terms and conditions in this section shall apply to gas customers provided transportation service under schedule TS2.

(b) *Applicability.* Gas service under schedule TS2 is applicable as follows:

(1) Service is available throughout the service territory served by the City to all gas owned by a customer that is transported to and on the City's gas distribution system. This service is applicable only to customers that, at the delivery point set forth in the service agreement for transportation (TS2) between the City and the customer (referred to as the "service agreement"), take in excess of [~~60,000 mcf~~] 600,000 ccf per year and receive service from a six-inch or larger diameter gas main. The customer must deliver its gas to the receipt point approved by the City and set forth in the service agreement. Once the City has received the customer's gas at the receipt point, the City shall transport the gas, minus the lost and unaccounted for adjustment determined under Subsection (g)(3) of this section to the delivery point. This service is available only to those customers who execute a service agreement for the service provided in this section.

(2) Daily balancing service is mandatory for all customers under this rate schedule.

(3) This service requires the installation and use of telemetering equipment at the delivery point. The City shall install, own, and maintain the telemetering and other equipment at the delivery point necessary to transmit the telemetering information to the

City. The customer shall provide the dedicated telephone line necessary for the reliable operation of the telemetering equipment and the transmission of the telemetering information. The City shall meter the customer's takes of gas at the delivery point. The customer shall pay for the installation of electronic measurement equipment if measurement equipment is not so equipped. Payment shall be required prior to initiation of transportation service.

(c) *Character of service.* The City shall be obligated to deliver gas to the delivery point up to the lesser of the customer's transportation maximum daily quantity (TMDQ) and the daily volume of gas received by the City from the customer at the receipt point minus the lost and unaccounted for adjustment determined under Subsection (g)(3) of this section.

(d) *Service agreement.* A service agreement shall be provided in accordance with the following:

(1) The customer shall execute a service agreement with the City which specifies the TMDQ, the receipt point, the delivery point, and the pressure at the delivery point. The service agreement shall be in the form as attached to this rate schedule on file in the City offices.

(2) The service agreement shall have an initial term of one year and then shall continue in effect for additional terms of one year until terminated by the customer or the City upon at least 30 days' written notice given prior to the end of the initial term or of any additional term.

(3) If a customer takes gas from the City under this rate schedule at more than one delivery point, these delivery points shall be included in one service agreement and shall be treated as a single delivery point for purposes of the customer charge, the

distribution charge, the daily imbalances and imbalance charges, the TMDQ, and meeting the minimum take requirement to qualify for service under this rate schedule.

(e) *Transportation maximum daily quantity (TMDQ).* After consulting with a customer, the City shall assign the customer a TMDQ. This TMDQ shall remain in effect for the term of the service agreement unless modified by written agreement of the City and the customer.

(f) *Rates and charges for transportation service.* Rates and charges for transportation service shall be as set forth in Appendix A to this Code.

(g) *Receipt and delivery.* Receipt and delivery shall be in accordance with the following:

(1) The customer shall be responsible for securing delivery of customer-owned gas to the receipt point.

(2) The receipt point shall be at a pipeline City gate station as assigned by the City and as specified in the service agreement.

(3) The City shall retain a percentage of volumes delivered to the receipt point for a lost and unaccounted for adjustment, and the City shall be obligated to deliver at the delivery point only the remainder of the volumes received. As of the effective date of this rate schedule, the percentage of volumes retained shall be 2.5 percent.

(h) *Load balancing.* Load balancing shall be in accordance with the following:

(1) The City shall provide the customer with daily balancing services within the parameters set forth in this section.

(2) The customer shall provide the City with good faith, nonbinding nominations when requested by the City.

(3) The customer's daily imbalance shall be equal to the difference between:

- a. The volume of gas actually delivered on a day to the receipt point by or on behalf of the customer minus the lost and unaccounted for adjustment determined under Subsection (g)(3) of this section ("net daily receipts"); and
- b. The customer's actual usage as determined from daily meter readings at the delivery point ("daily deliveries").

A daily underdelivery shall be deemed to occur whenever net daily receipts are less than daily deliveries. A daily overdelivery shall be deemed to occur whenever net daily receipts are greater than daily deliveries.

(4) The City's charges for daily imbalances are set forth in Appendix A to this Code and shall apply to daily deliveries. The imbalance charges are in addition to and not in lieu of other transportation charges established by this rate schedule.

(5) Failure of the customer's transportation gas to arrive at the City gate will result in one of two possibilities. If enough system supply is available, the customer will purchase all gas in excess of the customer's receipts at the sum of the customer's delivery price, balancing charge as set forth in Appendix A to this Code and the greater of either the City WACOG or 105 percent of the highest Transco Zone 6 (non-New York) price for the current month. If enough system supply is not available, the customer will purchase all gas in excess of the customer's receipts at the sum of the customer's delivery price, balancing charge as set forth in Appendix A to this Code, the peak shaving price and the storage capacity price.

(6) When the customer's daily deliveries exceed the actual usage at the delivery point, the City will purchase these "overtendered" quantities at the lower of the City

WACOG or 95 percent of the Transco Zone 6 (non-New York) price for the current month.

(7) If on any day the daily imbalance, as set forth in Subsection (h)(3) of this section, exceeds ten percent, the customer pays a pro rata share of any interstate gas pipeline penalties incurred based upon the customer's daily imbalance in the same direction as the imbalance for which the penalty was incurred.

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

(j) *Force majeure.* If either the City or the customer is rendered unable, either wholly or in part, to carry out its obligations under this section because of a force majeure, the obligations of the party affected by such force majeure, other than the obligation to make payments under this section, shall be suspended during the continuance of any inability so caused, but for no longer period. Such force majeure shall, insofar as possible, be remedied with all reasonable dispatch. The term "force majeure," as used in this subsection, shall include: acts of God strikes; lockouts; wars; riots; insurrections; terrorism; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; interruptions by government or court orders; civil disturbances; explosions; breakage, freezing, or accident to lines of pipe or facilities; failure of interstate or intrastate pipeline transportation, but only if caused by an event constituting force majeure curtailment or discontinuation by such pipeline of transportation or other services; and any other cause, whether of the kind defined in this subsection or otherwise, not within the control of the party claiming suspension and which, by the exercise of reasonable foresight, such party is unable to avoid and, by the exercise of due diligence, such party is unable to overcome.

**Sec. 28-198. Municipal gas service (schedule MGS).**

The following rate and charges shall apply for gas provided to buildings, structures or facilities used by the City and for which the City purchases gas:

#### SCHEDULE MGS

(1) *Application.* This section shall apply to use of service for all purposes in buildings, structures or facilities used by the City where service is available.

(2) *Monthly rate.* System charge shall be as set forth in Appendix A to this Code.

(3) *Gas commodity charge.* Gas commodity charge shall be as set forth in Appendix A to this Code. This charge is for the costs associated with purchased gas or any gas used as a substitute for or supplement to purchased gas and is subject to monthly adjustments per [~~thousand~~] hundred cubic feet for increases or decreases for any such cost. The Director of Public Utilities shall calculate the cost of natural gas each month and prepare a pro forma forecast of total gas commodity cost recovery balance for the end of the current fiscal year. The Director of Public Utilities may increase or decrease the purchased gas cost rate during the subsequent month to recover the cost of purchased gas by the end of the fiscal year. The Director of Public Utilities shall promptly notify the Chief Administrative Officer of changes to purchase gas cost rates. In addition, adjustments applicable under the weather normalization clause shall be as set forth in Section 28-106.

#### **Sec. 28-199. Flexibly priced interruptible gas service (schedule FS).**

(a) *Scope.* The rates, terms and conditions in this section shall apply to customers provided flexibly priced interruptible gas sales service under schedule FS.

(b) *Applicability.* Gas service shall be supplied for any user having gas facilities with a consuming capacity of 3,000,000 Btu per hour or more at locations within the service area where

facilities are available to supply the amount of gas requested by the customer, subject to the following conditions:

(1) 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 3,000,000 Btu per hour and agrees to use the gas supplied under this section only in the operation of such equipment.

(2) Gas delivered under this section shall be separately metered and shall not be used interchangeably with gas supplied under any other schedule.

(3) The maximum daily quantity of gas to be delivered under this section, expressed in cubic feet, shall be specified in the contract and may be increased only by the execution of a new contract.

(4) The customer has standby equipment installed and maintained in operating condition and a fuel supply adequate for its operations when gas service is interrupted.

(5) This service requires the installation and use of telemetering equipment at the delivery point. The City shall install, own and maintain the telemetering and other equipment necessary to transmit the telemetering information to the City. The customer shall provide a telephone line necessary for the reliable operation of the telemetering equipment and the transmission of the telemetering information. Customers who do not provide the City a phone line will be charged a monthly surcharge for alternative communications equipment. This equipment will be owned and maintained by the City.

A day shall be a period of 24 consecutive hours, beginning as near as practical at 8:00 a.m. or as otherwise agreed upon by the customer and the Director.

(c) *Monthly commodity rate.* The Director shall establish by regulation procedures for setting a flexibly based monthly commodity charge for interruptible sales service for each category of alternative fuel, including, but not limited to, no. 2 oil, no. 4 oil, no. 6 oil and propane. In establishing such procedures and in setting the commodity charge, the Director shall consider the cost of the alternative fuel, the cost of gas necessary to supply customers under this schedule and the competitive advantages and disadvantages of gas. The Director may adjust the commodity charge monthly and shall keep available for public inspection the currently effective commodity charge in each alternative fuel category. The commodity charge shall be subject to the following price floor and ceiling. The commodity charge shall not be less than the cost of gas purchased by the Department for sale to customers receiving this service, plus the amount as set forth in Appendix A to this Code. The commodity charge shall be no higher than the sum of:

- (1) The average distribution charge for the quantities consumed under rate schedule CIS fixed rate, nontemporary purchase;
- (2) The average cost per [~~mcf~~] ccf of the CIS demand charge calculated at a 100 percent load factor; plus
- (3) The purchased gas charge.

In no case shall the commodity charge be less than the cost of gas plus the amount set forth in Appendix A to this Code.

(d) *Minimum monthly charge.* The minimum monthly charge for gas under schedule FS shall be as follows:

- (1) For customers having facilities with a consuming capacity of 3,000,000 Btu per hour or more, and not having installed no. 6 oil alternate fuel capability, each monthly bill for gas shall not be less than the amount set forth in Appendix A to this Code, except

in months when the City delivers less than [~~50 mcf~~] 500 ccf as provided in this subsection. When less than [~~50 mcf~~] 500 ccf 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 as set forth in this subsection. The term “month,” as used in this subsection, 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 30 days.

(2) For customers having gas facilities with a consuming capacity of 3,000,000 Btu per hour and having installed no. 6 oil alternate fuel capability, each monthly bill shall be not less than the amount set forth in Appendix A to this Code, except in months when the City delivers less than [~~150 mcf~~] 1,500 ccf as provided in this subsection. When less than [~~150 mcf~~] 1,500 ccf 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 commodity rate per [~~mcf~~] ccf as set forth in this subsection. The term “month,” as used in this subsection, 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 30 days.

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

(f) *Term of contracts.* Contracts for gas service made under this schedule shall be for one year and may automatically be renewed from year to year unless cancelled by the customer or the Director upon 30 days’ written notice to that effect given before the beginning of any contract year.

(g) *Special provisions.* Special provisions for discontinuance of use and unauthorized use of gas shall be as follows:

(1) *Discontinuance of use at request of Director.* A customer may use gas at any time provided that the customer shall curtail or discontinue the use of service when requested by the Director, in the Director's sole discretion, on 30 minutes' notice.

(2) *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 as set forth in Appendix A to this Code, 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.

**Sec. 28-200. Unmetered gaslight service (schedule GL).**

The following rates and charges shall apply for providing gas for ornamental gas lights having a manufacturer's rated gas consuming capacity of 1,400 cubic feet per month or less:

**SCHEDULE GL**

(1) *Application.* Unmetered gas service under this schedule may be furnished to all customers within the service area who have installed ornamental gas lights having a manufacturer's rated gas consuming capacity of 1,400 cubic feet per month or less when the Director determines that such service is available at places where such lights are installed.

(2) *Monthly rate.* System charge shall be as set forth in Appendix A to this Code.

(3) *Gas commodity charge.* Gas commodity charge shall be as set forth in Appendix A to this Code. This charge is for the costs associated with purchased gas or any gas used as a

substitute for or supplement to purchased gas and is subject to monthly adjustments per [~~thousand~~] hundred cubic feet for increases or decreases for any such cost. The Director of Public Utilities shall calculate the cost of natural gas each month and prepare a pro forma forecast of total gas commodity cost recovery balance for the end of the current fiscal year. The Director of Public Utilities may increase or decrease the purchased gas cost rate during the subsequent month to recover the cost of purchased gas by the end of the fiscal year. The Director of Public Utilities shall promptly notify the Chief Administrative Officer of changes to purchase gas cost rates. In addition, adjustments applicable under the weather normalization clause shall be as set forth in Section 28-106.

(4) *Minimum charge.* The minimum charge shall be as set forth in Appendix A to this Code.

(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 schedule shall be cancellable at any time.

**Sec. 28-201. Gas air conditioning service (schedule AC).**

(a) *Scope.* The rates, terms and conditions in this section shall apply to customers provided gas air conditioning service under schedule AC.

(b) *Applicability.* This rate schedule shall be applicable throughout the service territory for all customers for air conditioning equipment from April through October.

(c) *Monthly rate.* The monthly rate shall be the weighted average commodity cost of gas plus the amount set forth in Appendix A to this Code, April through October.

(d) *Special provisions.* Special provisions for billing and metering shall be as follows:

(1) This service is only available during April through October. Any gas taken after the last billing (cycle 21) for October and before the first billing (cycle 1) for April will be billed at the then-current rate per [~~mcf~~] ccf established under the applicable schedule GASC or schedule CIS (fixed rate).

(2) This service must be separately metered.

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

**Sec. 28-202. Large volume gas sales service (schedule LVS).**

(a) *Scope.* The rates, terms, and conditions in this section shall apply to customers provided firm, nonresidential large volume gas sales service under schedule LVS.

(b) *Applicability.* Service is available throughout the service territory served by the City to all firm, nonresidential gas sales customers that take in excess of [~~12,000 mcf~~] 120,000 ccf of gas over a consecutive 12-month period. This service requires the installation and use of telemetering equipment at the delivery point. The City shall install, own and maintain the telemetering and other equipment necessary to transmit the telemetering information to the City. The customer shall provide a telephone line necessary for the reliable operation of the telemetering equipment and the transmission of the telemetering information. Customers who do not provide the City a phone line will be charged a monthly surcharge for alternative communications equipment. This equipment will be owned and maintained by the City.

(c) *Monthly rates and charges.* The customer shall pay the rates and charges for gas under the schedule for large volume gas sales service (LVS), per month, as set forth in Appendix A to this Code.

(d) *Determination of demand.* The demand may, at the option of the Director, be determined either by measurement, by estimate or by agreement in accordance with the following:

(1) *By measurement.* The demand in any month shall be the highest use of gas in [~~mef~~] ccf in any period of 24 consecutive hours as measured by the demand meter.

(2) *By estimate.* The demand in any month shall be taken as 1/20 of the [~~mefs~~] ccfs used in such month.

(3) *By agreement.* At a level to recover the upstream demand charges used to serve the customer. Such level shall be specified in the service agreement. Customer usage above this firm daily demand level shall be regarded as interruptible and will be subject to the terms in Section 28-199(g), which pertains to flexibly priced interruptible gas sales service.

(e) *Billing demand.* The billing demand in any month shall be the higher of:

(1) The demand as determined in such month under Subsection (d) of this section; or

(2) The highest billing demand in any of the preceding months of November through April; provided, however, that for new customers or customers transferring from another rate schedule, the highest billing demand may, at the Director's option, be estimated based on the proposed use of the service under this rate schedule.

(f) *Utility tax.* All bills rendered under this rate schedule shall be subject to any applicable utility tax.

(g) *Service agreement.* If a customer takes gas from the City under this rate schedule at more than one delivery point and if all such delivery points are located at one plant or facility or

are located at physically contiguous plants or facilities, these delivery points will be included in one service agreement and will be treated as a single delivery point for purposes of the customer charge, the distribution charge, and meeting the minimum take requirement to qualify for service under this rate schedule. In all other instances, each delivery point will require a separate service agreement and will be treated as a separate customer for all purposes.

(h) *Force majeure.* If either the City or the customer is rendered unable, either wholly or in part, to carry out its obligations under this section because of a force majeure, the obligations of the party affected by such force majeure, other than the obligation to make payments under this section, shall be suspended during the continuance of any inability so caused, but for no longer period. Such force majeure shall, insofar as possible, be remedied with all reasonable dispatch. The term “force majeure,” as used in this subsection, shall include acts of God; strikes; lockouts; wars; riots; insurrections; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; interruptions by government or court orders; civil disturbances; explosions; breakage, freezing, or accident to lines of pipe or facilities; failure of interstate or intrastate pipeline transportation, but only if caused by an event constituting force majeure curtailment or discontinuation by such pipeline of transportation or other services; and any other cause, whether of the kind defined in this subsection or otherwise, not within the control of the party claiming suspension and which, by the exercise of reasonable foresight, such party is unable to avoid and, by the exercise of due diligence, such party is unable to overcome.

**Sec. 28-203. Large volume, high load factor, gas sales services (schedule LVS-2).**

(a) *Scope.* The rates, terms and conditions in this section shall apply to customers who are provided large volume, high load factor firm, and gas sales services under schedule LVS-2.

(b) *Availability.* Service is available throughout the service territory served by the City to all gas sales nonresidential customers that take in excess of [~~60,000 mcf~~] 600,000 ccf per year of gas.

(c) *Monthly rates and charges.* The customer shall pay the rates and charges for gas under the schedule for large volume, high factor, gas sales services (LVS-2), per month, as set forth in Appendix A to this Code.

(d) *Determination of demand.* The demand may, at the option of the Director, be determined by measurement, by estimate or by agreement with the Director in accordance with the following:

(1) *By measurement.* The demand in any month shall be the highest use of gas in [~~mcf~~] ccf in any period of 24 consecutive hours as measured by the demand meter.

(2) *By estimate.* The demand in any month shall be taken as 1/20 or 1/30 of the [~~mefs~~] ccfs used in such month.

(3) *By agreement.* At a level to recover the upstream demand charges used to serve the customer. Such level shall be specified in the service agreement. Customer usage above this firm daily demand level shall be regarded as interruptible and will be subject to the terms in Section 28-199(g), which pertains to flexibly priced interruptible gas sales service.

(e) *Billing demand.* The billing demand in any month shall be the higher of:

(1) The demand as determined in such month under Subsection (d) of this section; or

(2) The highest billing demand in any of the preceding months of November through April; provided, however, that for new customers or customers transferring from

another rate schedule, the highest billing demand may, at the option of the Director, be estimated based on the proposed use of service under this rate schedule.

(f) *Utility tax.* All bills rendered under this schedule shall be subject to any applicable utility tax.

(g) *Service agreement.* The customer shall execute a service agreement with the City in the form attached to this rate schedule on file in City offices and in accordance with the following:

(1) Service agreements for gas service made under this schedule shall be one year and may automatically be renewed from year to year unless canceled by the customer or the Director upon 30 days' written notice to that effect. Such notice must be given before the beginning of any contract year.

(2) If a customer takes gas from the City under this rate schedule at more than one delivery point and if all such delivery points are located at one plant or facility or are located at physically contiguous plants or facilities, these delivery points will be included in one service agreement and will be treated as a single delivery point for purposes of the customer charge, the distribution charge, and meeting the minimum take requirement to qualify for service under this rate schedule. In all other instances, each delivery point will require a separate service agreement and will be treated as a separate customer for all purposes.

(3) This service requires the installation and use of telemetering equipment at the delivery point. The City shall install, own and maintain the telemetering and other equipment necessary to transmit the telemetering information to the City. The customer shall provide a telephone line necessary for the reliable operation of the telemetering

equipment and the transmission of the telemetering information. Customers who do not provide the City a phone line will be charged a monthly surcharge for alternative communications equipment. This equipment will be owned and maintained by the City.

(h) *Force majeure.* If either the City or the customer is rendered unable, either wholly or in part, to carry out its obligations under this section because of a force majeure, the obligations of the party affected by such force majeure, other than the obligation to make payments under this section, shall be suspended during the continuance of any inability so caused, but for no longer period. Such force majeure shall, insofar as possible, be remedied with all reasonable dispatch. The term “force majeure,” as used in this subsection, shall include acts of God; strikes; lockouts; wars; riots; insurrections; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; interruptions by government or court orders; civil disturbances; explosions; breakage, freezing, or accident to lines of pipe or facilities; failure of interstate or intrastate pipeline transportation, but only if caused by an event constituting force majeure curtailment or discontinuation of such pipeline of transportation or other services; and any other cause, whether of the kind defined in this subsection or otherwise, not within the control of the party claiming suspension and which, by the exercise of reasonable foresight, such party is unable to avoid and, by the exercise of due diligence, such party is unable to overcome.

**Sec. 28-204. Natural gas vehicle gas service.**

(a) *Application.* This section shall apply to use of service for all natural gas vehicle refueling facilities where service is available. Such service shall be separately metered.

(b) *Monthly rate.* The system charge is as set forth in Appendix A to this Code.

(c) *Gas commodity charge.* Gas commodity charge is as set forth in Appendix A to this Code. This charge is for the costs associated with purchased gas or any gas used as a substitute

for or supplement to purchased gas and is subject to monthly adjustments per [~~thousand~~] hundred cubic feet for increases or decreases for any such cost. The Director of Public Utilities shall calculate the cost of natural gas each month and prepare a pro forma forecast of total gas commodity cost recovery balance for the end of the current fiscal year. The Director of Public Utilities may increase or decrease the purchased gas cost rate during the subsequent month to recover the cost of purchased gas by the end of the fiscal year. The Director of Public Utilities shall promptly notify the Chief Administrative Officer of changes to purchase gas cost rates. In addition, adjustments applicable under the weather normalization clause shall be as set forth in Section 28-106.

§ 2. That the fees set forth in Appendix A of the Code of the City of Richmond (2015) for sections 28-191(2), 28-191(3), 28-192(2), 28-193(2), 28-193(3), 28-194(2), 28-195(f), 28-196(f), 28-198(2), 28-198(3), 28-199(c), 28-199(d), 28-199(g)(2), 28-200(2), 28-200(3), 28-200(4), 28-201(c), 28-202(c), 28-203(c), 28-204(b), and 28-204(c) of the Code of the City of Richmond (2015) be and are hereby amended and reordained as follows:

<i>Code Section</i>	<i>Description</i>	<i>Fee</i>
28-191(2)	Monthly rates for gas under Schedule RS:	
	(1) Customer charge (readiness to serve), per month	<del>[\$13.87]</del> <u>\$14.25</u>
	(2) Distribution charge:	
	a. First 50,000 cubic feet per month per [ <del>Mcf</del> ] <u>Ccf</u> [ <del>1,000</del> ] <u>100</u> cubic feet	<del>[\$5.90]</del> <u>\$0.606</u>
	b. For all additional cubic feet per month, per [ <del>Mcf</del> ] <u>Ccf</u>	<del>[\$5.90]</del> <u>\$0.606</u>
	c. Purchased gas cost (per [ <del>1,000</del> ] <u>100</u> cubic feet).	As set by director pursuant to 28-191(2)
28-191(3)	Monthly minimum customer charge for gas under Schedule RS	<del>[\$13.87]</del> <u>\$14.25</u>
28-192(2)	Monthly rates for gas under schedule Residential Gas Peaking Service:	
	a. Customer charge (readiness to serve), per month	<del>[\$13.87]</del> <u>\$14.25</u>

	b. System charge	
	1. First 50,000 cubic feet per month, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$5.90]</del> <u>\$0.606</u>
	2. For all additional cubic feet per month, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$5.90]</del> <u>\$0.606</u>
	c. Gas commodity charge, per <del>[1,000]</del> <u>100</u> cubic feet.	As set by director pursuant to 28- 192(2)
28-193(2)	Monthly rates for gas under the Schedule for Small Commercial Gas Sales (GASC):	
	(1) Customer charge (readiness to serve), per month	<del>[\$16.38]</del> <u>\$16.83</u>
	(2) Distribution charge:	
	a. First 50,000 cubic feet per month, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$5.33]</del> <u>\$0.548</u>
	b. For all additional cubic feet per month, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$5.33]</del> <u>\$0.548</u>
	(3) Purchased gas cost (per <del>[1,000]</del> <u>100</u> cubic feet)	As set by director pursuant to 28- 193(2)
28-193(3)	Minimum charge for gas under the Schedule for Small Commercial Gas Sales (GASC), per month	<del>[\$16.38]</del> <u>\$16.83</u>
28-194(2)	Monthly rates for gas used under Schedule CIS:	
	(1) Customer charge (readiness to serve), per month	<del>[\$142.41]</del> <u>\$146.33</u>
	(2) Demand charge (per month), per <del>[1,000]</del> <u>100</u> cubic feet <del>[Mef]</del> <u>Ccf</u>	<del>[\$14.04]</del> <u>\$1.44</u>
	(3) Distribution charge, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$3.15]</del> <u>\$0.324</u>
	(4) Purchased gas cost (per <del>[1,000]</del> <u>100</u> cubic feet)	As set by director pursuant to 28- 194(2)
28-195(f)	Gas rates and charges each month for transportation service under Schedule TS. These amounts do not include the cost of gas received at the receipt point for the customer:	
	(1) Customer charge, per month	<del>[\$757.58]</del> <u>\$778.41</u>
	(2) a. For the amount taken up to <del>[1,500-Mef]</del> <u>15,000 Ccf</u> , per <del>[Mef]</del> <u>Ccf</u>	<del>[\$1.91]</del> <u>\$0.196</u>
	b. For amounts taken from <del>[1,501-Mef]</del> <u>15,001</u> <u>Ccf</u> to <del>[11,500-Mef]</del> <u>115,000 Ccf</u> , per <del>[Mef]</del> <u>Ccf</u>	<del>[\$0.99]</del> <u>\$0.102</u>
	c. For the amount taken over <del>[11,500-Mef]</del> <u>115,000 Ccf</u> , per <del>[Mef]</del> <u>Ccf</u>	<del>[\$0.70]</del> <u>\$0.072</u>
	(3) Charge for daily imbalance in excess of ten	<del>[\$0.58]</del> <u>\$0.06</u>

	percent, per <del>[Mef]</del> <u>Ccf</u>	
28-196(f)	Gas rates and charges for transportation service under Schedule TS2. These amounts do not include the cost of gas received at the receipt point for the customer:	
	(1) Customer charge, per month	<del>[\$757.58]</del> <u>\$778.41</u>
	(2) Distribution charge, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$0.67]</del> <u>\$0.069</u>
	(3) Charge for daily imbalance in excess of ten percent, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$0.58]</del> <u>\$0.06</u>
28-198(2)	Monthly distribution charge for gas under schedule MGS, per <del>[1,000]</del> <u>100</u> cubic feet <del>(Mef)]</del> <u>(Ccf)</u>	<del>[\$4.95]</del> <u>\$0.509</u>
28-198(3)	Purchased gas cost under Schedule MGS, per <del>[1,000]</del> <u>100</u> cubic feet	As determined by Director pursuant to 28-198(3)
28-199(c)	Monthly gas commodity charge under Schedule FS, which shall not be less than the cost of gas purchased by the Department for sale to customers receiving this service, plus, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$0.10]</del> <u>\$0.01</u>
28-199(d)	Minimum monthly charge for gas under Schedule FS:	
	(1) Minimum monthly bill for gas customers having gas facilities with a consuming capacity of 3,000,000 Btu per hour or more and not having installed no. 6 oil alternate fuel capability	<del>[\$476.19]</del> <u>\$489.29</u>
	(2) Minimum monthly bill for gas customers having gas facilities with a consuming capacity of 3,000,000 Btu per hour and having installed no. 6 oil alternate fuel capability	<del>[\$1,032.13]</del> <u>\$1,060.51</u>
28-199(g)(2)	Rate for all gas taken by a customer under Schedule FS 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, in addition to all other charges payable under this rate schedule, per <del>[Mef]</del> <u>Ccf</u>	<del>[\$27.50]</del> <u>\$2.75</u>
28-200(2)	Monthly distribution charge for gas for unmetered gaslight service under schedule GL, per <del>[1,000]</del> <u>100</u> cubic feet <u>(Ccf)</u>	<del>[\$4.74]</del> <u>\$0.474</u>
28-200(3)	Purchased gas cost for unmetered gaslight service under Schedule GL, per <del>[1,000]</del> <u>100</u> cubic feet <u>(Ccf)</u>	As determined by Director pursuant to 28-200(3)
28-200(4)	Minimum charge for gas for unmetered gaslight service under Schedule GL, per month for each gaslight	<del>[\$14.45]</del> <u>\$14.85</u>
28-201(c)	Monthly rate for gas air conditioning service under	<del>[\$0.10]</del> <u>\$0.01</u>

Schedule AC, April through October, which shall be the weighted average commodity cost of gas plus, per [Mef] Ccf (~~[1,000]~~) 100 cubic feet)

28-202(c)

Monthly rates and charges for large volume gas sales service under Schedule LVS:

- |   |   |
|---|---|
| (1) Customer charge, per month  | [ <del>\$689.23</del> ] <u>\$708.18</u> |
| (2) Demand charge, per [Mef] Ccf of billing demand  | [ <del>\$14.04</del> ] <u>\$1.44</u>    |
| (3) Distribution charge:  |   |
| a. For the amount taken up to [ <del>1,500-Mef</del> ] <u>15,000 Ccf</u> , per [Mef] Ccf  | [ <del>\$1.94</del> ] <u>\$0.196</u>    |
| b. For amounts taken from [ <del>1,501-Mef</del> ] <u>15,001 Ccf</u> to [ <del>11,500-Mef</del> ] <u>115,000 Ccf</u> , per [Mef] Ccf  | [ <del>\$0.99</del> ] <u>\$0.102</u>    |
| c. For the amount taken over [ <del>11,500-Mef</del> ] <u>115,000 Ccf</u> , per [Mef] Ccf   | [ <del>\$0.70</del> ] <u>\$0.072</u>    |
| (4) Purchased gas cost, for large volume of gas sales service under Schedule LVS, determined per month. Purchase gas cost charge (weighted average commodity cost of gas (WACCOG)), includes all commodity charges, surcharges, tracking adjustments, and other non-fixed charges of pipelines and gas supplies incurred by the city. The charge also includes gas bought by the city at a fixed cost to serve a customer or group of customers approved by the director. Any agreement to fix such costs shall be specified in the service agreement (addendum). |   |

28-203(c)

Monthly rates and charges for large volume, high load factor, gas sales services under Schedule LVS-2:

- |   |   |
|---|---|
| (1) Customer charge, per month  | [ <del>\$689.23</del> ] <u>\$708.18</u> |
| (2) Demand charge, if applicable, per [Mef] Ccf of billing demand   | [ <del>\$14.04</del> ] <u>\$1.44</u>    |
| (3) Distribution charge, all gas, per [Mef] Ccf   | [ <del>\$0.67</del> ] <u>\$0.069</u>    |
| (4) Purchased gas cost, for high load factor gas sales service under Schedule LVS-2, per month. Purchase gas cost charge (weighted average commodity cost of gas (WACCOG)), includes all commodity charges, surcharges, tracking adjustments and other nonfixed charges of pipelines and gas supplies incurred by the city. The charge also includes gas bought by the city at a fixed cost to serve a customer or group of customers approved by the director. Any agreement to fix such costs shall be specified in the |   |

	service agreement (addendum).	
28-204(b)	Monthly distribution charge for natural gas vehicle gas service, per per <del>[1,000]</del> <u>100</u> cubic feet <del>[Mcf]</del> <u>Ccf</u>	<del>[\$1.87]</del> <u>\$0.192</u>
28-204(c)	Purchased gas cost for natural gas vehicle gas service, per <del>[1,000]</del> <u>100</u> cubic feet <u>Ccf</u>	As determined by Director pursuant to 28-204(c)
	Plus, for the 100 percent load factor demand charge as shown in Section 28-202 for large volume gas service	<del>[\$0.34]</del> <u>\$0.48</u>

§ 3. This ordinance shall be in force and effect as of July 1, 2020.