

ORDINANCE NO. 5680

AN ORDINANCE OF THE CITY OF FREMONT, NEBRASKA, ESTABLISHING RATE SCHEDULES FOR NATURAL GAS SYSTEM; REPEALING ORDINANCE NO. 5655 AND ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING WHEN THE RATE SCHEDULES ARE EFFECTIVE; AND PROVIDING WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF FREMONT, NEBRASKA, THAT:

SECTION I. RESIDENTIAL RATE SCHEDULE

Residential Service shall be applicable to single family residences and individually metered apartments for all domestic purposes when all service is supplied through a single meter. Service will be at standard City pressure and temperature.

The net monthly rates for Residential Service shall be:

Effective Date:	<u>September 1, 2024</u>	<u>September 1, 2025</u>
Customer Charge:	\$10.50	\$10.50
Volume Charge, per ccf:	\$0.840	\$0.840
Adjustment for Cost of Purchase Gas:	See Section VI of this Ordinance	
Adjustment for Cost of Transportation:	See Section VII of this Ordinance	

Late Payment: There will be a ten percent (10%) late payment charge, not to exceed the Customer Charge, added to any bill not paid on or before the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished under the City's General Terms and Conditions.
3. The rates set forth herein may be increased by the amount of any new or increased governmental tax imposed and levied on transmission, distribution, production, or the sale of natural gas.

SECTION II. COMMERCIAL RATE SCHEDULE

Commercial Service shall be applicable to any customer for non-domestic purposes where all service is taken through a single meter at one location and where the customer's average peak day requirement does not exceed 500 Mcf. Service will be at standard City pressure and temperature.

The net monthly rates for Commercial Service shall be:

Effective Date:	<u>September 1, 2024</u>	<u>September 1, 2025</u>
Customer Charge:	\$23.25	\$26.50
Volume Charge, per ccf:	\$0.840	\$0.840
Adjustment for Cost of Purchase Gas:	See Section VI of this Ordinance	
Adjustment for Cost of Transportation:	See Section VII of this Ordinance	

Late Payment: There will be a three percent (3%) or a minimum of \$5.00, whichever is higher, late payment charge added to any bill not paid on or before the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished under the City's General Terms and Conditions.
3. The rates set forth herein may be increased by the amount of any new or increased governmental tax imposed and levied on transmission, distribution, production, or the sale of natural gas.

SECTION III. LARGE VOLUME FIRM INDEX-BASED SERVICE

This service applies to non-domestic Large Volume Firm users whose firm meter(s) at a single facility has an average peak day requirement greater than 500 Mcf.

Effective Date:	<u>September 1, 2024</u>	<u>September 1, 2025</u>
Customer Charge:	\$125.00	\$150.00
Volume Charge:	Northern Natural Gas Demarcation Index + \$0.01 per ccf	
Adjustment for Cost of Transportation:	See Section VII of this Ordinance	

Cost of gas for all listed levels of service shall be based on the first of the month Demarcation Index for gas delivered into the Northern Natural Gas system plus \$0.01 per ccf plus the volume charge shown below.

Firm Service:

Effective Date:	<u>September 1, 2024</u>	<u>September 1, 2025</u>
Volume Charge, per ccf:	\$0.302	\$0.308

Late Payment: There will be a three percent (3%) late payment charge added to any bill not paid on or before the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished under the City’s General Terms and Conditions.
3. The rates set forth herein may be increased by the amount of any new or increased governmental tax imposed and levied on transmission, distribution, production, or the sale of natural gas.

SECTION IV. LARGE VOLUME INTERRUPTIBLE INDEX-BASED SERVICE

This service applies to Large Volume Interruptible users whose interruptible meter(s) at a single facility has an average peak day requirement greater than 1,000 Mcf.

Effective Date:	<u>September 1, 2024</u>	<u>September 1, 2025</u>
Customer Charge:	\$125.00	\$150.00
Volume Charge:	Northern Natural Gas Demarcation Index + \$0.01 per ccf	
Adjustment for Cost of Transportation:	See Section VII of this Ordinance	

Cost of gas for all listed levels of service shall be based on the first of the month Demarcation Index corrected for actual costs for gas delivered into the Northern Natural Gas system plus \$0.01 per ccf plus the volume charge shown below.

Interruptible Service:

Effective Date:	<u>September 1, 2024</u>	<u>September 1, 2025</u>
Volume Charge, per ccf:	\$0.222	\$0.228

Large Volume Interruptible service shall be applicable to any customer for non-domestic purposes where all service is taken through an individual interruptible meter(s) at one location and where the customer has executed an agreement with the City whereby, in a period of curtailment or interruption, the customer can switch to alternate fuel to maintain operation or curtail operations requiring the use of natural gas from the City distribution system. **Noted below is a provision for penalty in the event customer does not comply with curtailment when notified.** Customer must have the capability to remain off the City system for a minimum of forty-eight (48) hours. Service will be at standard City pressure and temperature.

Curtailment Penalty: The City will assess a curtailment penalty to customers who fail to interrupt usage when directed. The penalty assessed will be equal to the Northern Natural Gas (NNG) Company penalties in effect at the time of curtailment. As of June 1, 2024, the following NNG penalties are in effect. These rates are subject to change based on changes implemented by NNG.

Penalty charge for failure to curtail when notified.

SOL Day:*

Greater of:

1. \$21.275/Dth or
2. 2X highest published Platts "Gas Daily" Midpoint price on the applicable day at any of the applicable index points of: Northern, Demarc or Northern, Ventura; or Field Area – Panhandle, TX-OK and El Paso, Permian.

Critical Day:*

Greater of:

1. \$113.00/Dth or
2. 3X highest published Platts "Gas Daily" Midpoint price on the applicable day at any of the applicable index points of: Market Area – Northern, Demarc and Northern, Ventura; or Field Area – Panhandle TX-OK and El Paso, Permian.

*As called by Northern Natural Gas Company

Curtailment Priority: In the event of an anticipated gas shortage or interruption in City's gas supply, the City shall be entitled to curtail all interruptible customers under this rate schedule. If a partial curtailment will resolve the gas shortage, each interruptible customer shall be either curtailed in a pro rata fashion or by rotating curtailments beginning with the largest customer and continuing to the smallest customer, with the goal of ensuring each customer is curtailed a similar number of days over the course of the season.

Late Payment: There will be a three percent (3%) late payment charge added to any bill not paid on or before the due date.

Terms and Conditions:

1. Customer must submit in writing, by October 1 annually to request interruptible service. Service shall be for a minimum of one (1) year.
2. Service will be furnished under the City's General Terms and Conditions.
3. The rates set forth herein may be increased by the amount of any new or increased governmental tax imposed and levied on transmission, distribution, production, or the sale of natural gas.

SECTION V. GAS TRANSPORTATION SERVICE (Contract)

This service applies at the discretion of the City to customers who meet the following conditions:

1. Peak day requirements greater than 1,000 Mcf and a monthly volume greater than 30,000 Mcf at a single facility.
2. The City determines it is beneficial from an operational or economic standpoint to permit the customer to take service under this rate schedule.
3. The customer has negotiated a contract with the City for gas delivered to the Town Border Station that addresses the following:
 - a. End User Allocation Agreement on NNG
 - b. Meter installation and costs
 - c. Daily nominations/scheduling
 - d. Daily balancing penalties (SOL and Critical Days)
 - e. Monthly imbalances
 - f. Distribution rate on Fremont's gas system
 - g. Monthly Customer Charge

SECTION VI. PURCHASE GAS ADJUSTMENT (PGA)

Residential and Commercial gas sales are subject to the application of a "Purchase Gas Adjustment" (PGA). Said adjustment shall be made when directed by the City of Fremont City Council and shall be determined as follows:

Purchased and produced gas costs shall be calculated for each month to reflect changes in the cost of gas above or below the Base Cost. For these purposes, the actual cost of gas (actual cost) shall mean the total cost, including all demand, commodity, fuel and other supply related charges. Said calculations and adjustments shall be made and become effective with the first billing of each month, unless otherwise directed by the City of Fremont City Council to fully recover additional gas supply costs. The difference between the "Cost of Gas" and the Base Cost shall be the Purchase Gas Adjustment (PGA).

The Base Cost shall be considered \$0.500 per ccf. The PGA adjustment shall be multiplied by the individual customer usage to determine the monthly billing adjustment.

SECTION VII. TRANSPORTATION COST ADJUSTMENT (TCA)

All customers that use the City's firm Northern Natural Gas (NNG) pipeline transportation capacity are subject to application of a "Transportation Cost Adjustment" (TCA). Said adjustment shall be made when directed by the City of Fremont City Council and shall be determined as follows:

Any increase in NNG's firm transportation and/or storage costs for the City shall be calculated. The increase in cost shall be divided by the total retail sales and Large Volume sales that use the City's NNG pipeline transportation contracts for the previous twelve (12) months. Said increase shall be made and become effective with the first billing of each month and remain in effect until otherwise directed by the City of Fremont City Council.

The Base Transportation Cost of transportation is \$0.12 per ccf based on firm transportation and storage costs. The implemented TCA shall be multiplied by the individual customer usage to determine the monthly transportation cost adjustment.

SECTION VIII. REFUND

Any refund, including interest thereon received by the City from its supplier with respect to increased rates paid by the City subject to refund and applicable to natural gas, shall be refunded to its gas customers in the form of credits on such customers' bills, or in cash, to the extent that such increased rates paid by the City were passed on to such gas customers.

SECTION IX. BILLING ERRORS

Notice of any billing error must be presented in writing to the Department of Utilities within six (6) months of the error date in order for a correction to be made. No corrections will be made retroactive more than one (1) year from the date of the notification.

SECTION X. REPEAL OF CONFLICTING ORDINANCES

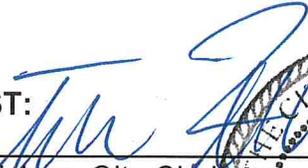
Ordinance No. 5655 and all other ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

SECTION XI. EFFECTIVE DATE

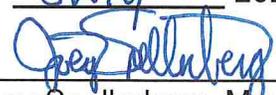
The rate schedules established herein shall be in effect for all billings dated after September 1, 2024.

This ordinance shall take effect and be in force from and after its passage, approval, and publication according to law. This ordinance shall be published in pamphlet form on July 13, 2024, and distributed as a City Ordinance.

PASSED AND APPROVED THIS 9th DAY OF July 2024.

ATTEST: 
Tyler Ficken, City Clerk




Joey Spellerberg, Mayor