

NATURAL GAS RATE ORDINANCE NO. 539

AN ORDINANCE OF FRIEND, NEBRASKA, ESTABLISHING CLASSES AND RATES TO BE CHARGED FOR NATURAL GAS SERVICE WITHIN FRIEND, NEBRASKA; REPEALING RATE ORDINANCE NO. 517; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL/VILLAGE BOARD OF FRIEND, NEBRASKA:

SECTION 1. That Natural Gas Rate Ordinance No. 517, and any amendments thereto, of Friend, Nebraska, be amended to read as follows:

Section 1. Rate Schedule, Monthly Charge; Heat Value, Basis Of; Adjustment; Penalty for Delinquency; Adjustment for Cost of Purchased Gas and Taxes: Grantee, its successors or assigns, shall file and make effective initially a schedule of rates for gas service and shall furnish gas at the schedule of rates hereafter set forth or at such other reasonable rates as may be hereafter established from time to time under the Nebraska Municipal Natural Gas Regulation Act, Neb.Rev.Stat. §§ 19-4601, *et seq.* (1943).

(1) Firm Gas Service Rates

Availability - These rates are available only to domestic and commercial customers whose maximum requirements for natural gas are less than one hundred thousand (100,000) cubic feet per day. Grantee shall not be required to serve any customer at the following rates whose requirements amount to one hundred thousand (100,000) cubic feet or more per day. Grantee may negotiate price and other contract terms with customers whose natural gas requirements exceed fifty thousand (50,000) cubic feet per day.

Residential Customers Amount

Monthly Customer Charge \$8.25 and
Rate per Therm \$.1153170

Commercial Customers

Monthly Customer Charge \$13.25 and
Rate per Therm \$.1567016

The foregoing rates apply only when bills are paid on or before twenty (20) days after the monthly billing date. When not so paid, a one percent (1%) per month late fee will apply on the unpaid amount.

The above and foregoing rate shall be understood to be based upon natural gas of the British Thermal Unit (BTU) heating value of 1,000 BTUs per cubic foot of gas. If in

any monthly period the average heating value of gas sold and delivered to the customers shall vary from 1,000 BTUs, then the volumes of gas billed to the customers during that month shall be multiplied by the factor of average heating value in BTUs ÷ 1,000 to adjust for the variance.

Turn-On and Reconnect Fee

In addition to the other rates set forth in this Ordinance, Grantee may charge a \$26.00 fee to initiate service (“turn-on fee”) for each customer account and a \$30.00 fee (“reconnect fee”) to reconnect service that has been discontinued or terminated for non-payment

(2) Adjustment for Cost of Purchased Gas

In addition to the Firm Gas Service Rates set forth in Sub-Section (1) of this Ordinance, a separate charge per Therm may be made for the monthly cost of purchased gas in the Purchased Gas Cost Adjustment, if the Grantee (or any predecessor of Grantee) has properly filed a natural gas supply-cost-adjustment rate schedule pursuant to Neb.Rev.Stat. §19-4609(1). Such Purchased Gas Cost Adjustment shall be computed monthly pursuant to the natural gas supply-cost-adjustment rate schedule filed by the Grantee (or any predecessor of Grantee) pursuant to Neb.Rev.Stat. §19-4609(1).

Any refund including interest thereon, if any, received by the Company from its supplier in respect of increased rates paid by Grantee subject to refund and applicable to natural gas purchased on a firm supply basis for resale in Rate Area Three 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 Company were passed on to such firm gas customers.

(3) Adjustment for Taxes

If, after the effective date of this ordinance, the business of Grantee in this Rate Area Three Municipality shall be subjected to any taxes measured by its gross revenues from the operation of such business or the volume of such business or constituting a fee for carrying on such business, or in the event that (a) the rate of any such tax or (b) the amount of any such fee shall be increased after the effective date of this ordinance, the gas distribution company shall be entitled to increase its charges under the aforesaid rates so as to offset such imposition or impositions or such increase.

(4) General Rate Adjustment

The above provided for cost of purchased gas and tax adjustments are apart from and shall not in any manner limit or abridge either Grantee’s right to request or the Mayor and City Council’s authority to grant general rate adjustments increasing or decreasing such rates.

(5) Interruptible Gas Service Rate

Availability - This rate is available only on a contract basis to commercial or industrial customers whose use of natural gas is subject to interruption and periods of curtailment for reasons including but not limited to protecting the service of Grantee's firm gas users.

Rate - The rate of interruptible gas service shall be such rate as may be mutually agreed upon between the customer and that gas service company.

(6) Environmental Costs

Grantee may defer expenses reasonably incurred after December 1, 1999, as a result of monitoring, testing, clean-up, and the cost of reasonable efforts made by Grantee to recover remediation costs (hereinafter referred to generally as "manufactured gas plant" costs), if any, at the five manufactured gas plant sites allocated to Rate Area Three. No carrying costs will be calculated on any such balance of deferred manufactured gas plant costs. At the time of its next general rate case, Grantee may request recovery of any deferred manufactured gas plant costs and, if recovery is sought, must demonstrate in its rate application or sixty (60) days prior to the deadline for filing the Municipal Report that the manufactured gas plant costs were prudently incurred and reasonable, and that Grantee made reasonable efforts to recover remediation costs from potentially responsible third parties (which may include, but are not limited to, Grantee's predecessors in interest).

In any future rate application, Grantee will reduce any deferred manufactured gas plant costs by the proportional amount of manufactured gas plant costs previously recovered (*i.e.*, \$62,846 per year from December 1, 1999) from Rate Area Three as a credit to the deferred expenses allocated to Rate Area Three. Issues as to whether the deferred remediation costs were prudently incurred and reasonable; and whether the length of the amortization period for "past" manufactured gas plant costs requested by Grantee for recovering any such deferred remediation expenses is reasonable will be determined in the next rate case following the incurrence of such deferred manufactured gas plant costs.

Seventy-five percent (75%) of any funds (or the value of any other benefits) recovered from third parties by or on behalf of Grantee which are attributable to the remediation of any or all of the five manufactured gas plant sites allocated to Rate Area three shall be credited to the deferred account. Grantee may keep twenty-five percent (25%) of any funds (or the value of other benefits) recovered from third parties.

(7) General Terms and Conditions

The General Terms and Conditions and associated Rate Schedule Tariff Sheets applicable to the natural gas service subject to the Municipal Natural Gas Regulation Act and provided for under this ordinance will be kept on file with the Municipal Clerk. The General Terms and Conditions and associated Rate Schedule Tariff Sheets may be changed from time to time by Grantee unless contrary provision is made by an ordinance adopted in the course of a future rate proceeding.

(8) Findings of Fact and Conclusions of Law

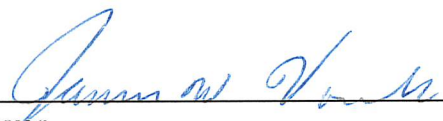
The Findings of Fact and Conclusions of Law, which were made a part of the official record at an Area Rate Hearing, are hereby adopted.

SECTION 2. Ordinance No. 517 of Friend, Nebraska, and all other ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 3. This ordinance shall be in full force and effect from and after its passage, approval, and publication as required by law.


Introduced by Rhonda Bulwan.

Passed and approved this 1 day of Feb, 2000.



Mayor

ATTEST:



Clerk

THIRD READING

The Mayor then instructed the Clerk to read the Natural Gas Rate Ordinance No. _____ of Friend, Nebraska. The Clerk thereupon read the aforesaid Ordinance by title upon its third reading.

WHEREUPON, Council member _____ that said Ordinance be approved on its third reading and its title agreed to. Council member _____ this motion.

WHEREUPON, Council member _____ for the question. The Mayor put the question and instructed the Clerk to call the roll for the vote thereon. The Clerk called the roll and the following was the vote on this motion:

Yeas: _____
Nays: _____
Motion: _____

WHEREUPON, the Mayor declared said Natural Gas Rate Ordinance approved on its third reading and its title agreed to.

FINAL PASSAGE

WHEREUPON, the Mayor declared said Natural Gas Rate Ordinance No. _____, Friend, Nebraska, having been read by title three times, and the "yeas" and "nays" having been called and recorded three times, and each time duly approved and its title agreed to, the question is, "Shall said Natural Gas Rate Ordinance of Friend, Nebraska, finally pass?"

WHEREUPON, Council member _____ called for the question. The Mayor put the question and instructed the Clerk to call the roll for the vote thereon. The Clerk called the roll and the following was the vote on this motion:

Yeas: _____
Nays: _____
Motion: _____

A majority of the members of the Council having voted in the affirmative for the passage and approval of said Natural Gas Rate Ordinance No. _____ passed and adopted as an Ordinance of Friend, Nebraska.

APPROVAL

WHEREUPON, the Mayor approved said Natural Gas Rate Ordinance No. 539 of Friend, Nebraska, by subscribing his/her name thereto, and the Clerk attested said signature of the Mayor by subscribing his/her name thereto and affixing thereon the seal of Friend, Nebraska.

The above proceedings of the Council of this City with reference to the Ordinance aforesaid were had on the 1st day of February, 2000.

PUBLICATION

WHEREUPON, it was moved by Council member Gill and seconded by Council member Himmelberg said Natural Gas Rate Ordinance No. 539 published in the manner required by law, within fifteen (15) days after passage.

WHEREUPON, Council member Himmelberg called for the question. The Mayor put the question and instructed the Clerk to call the roll for the vote thereon. The clerk called the roll and the following was the vote on this motion:

Yeas: Gill, Bulwan, Himmelberg
Nays: _____
Motion: carried

WHEREUPON, the Mayor declared the motion carried and ordered the publication in the manner required by law, within fifteen (15) days after passage.

APPROVED:

James W. Bulwa
Mayor

ATTEST:

Ann L. Betka
Clerk



ORDINANCE RECORD

OPENING

Friend, Nebraska
Feb. 1 _____, 2000

The Council/Board members of the City/Village of Friend, Nebraska, met in regular session in the Friend City Hall at 8:00 ~~xxx~~ p.m. Mayor James W. Vossler. The Clerk recorded the proceedings of this meeting.

ROLL CALL

The Mayor instructed the Clerk to call the roll. The Clerk called the roll and the following Council/Board members were present: Rhonda Bulwan, Linda Gill,
Brian Himmelberg.

Absent: Gary Tuttle.

ORDER OF BUSINESS

WHEREUPON, the Mayor announced that the introduction of ordinances was now in order.

ORDINANCE NO. 539

Introduction of Ordinance No. 539 of Friend, Nebraska.

And the matter now coming before the Council/Board members was the passage and approval of Ordinance No. 539 of Friend, Nebraska. This Ordinance was introduced by Council/Board member Rhonda Bulwan and is set forth in full as follows, to wit: