

City of Magnolia

P.O. BOX 396
MONTGOMERY COUNTY
MAGNOLIA, TEXAS 77353-0396
281-356-2266
Fax 281-259-7811



ORDINANCE NO. 2006-091

ORDINANCE REPEALING ORDINANCES NO.'S 228, 239, 245, 272 AND 300 AND ESTABLISHING NEW RATES FOR NATURAL GAS SERVICE; ESTABLISHING RATES AND FEES FOR INITIAL CONNECTIONS TO THE CITY'S NATURAL GAS SYSTEM; PROVIDING FEES FOR CONNECTION, RECONNECTION AND INSPECTION; REQUIRING DEPOSITS FOR SERVICE, AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

Whereas, the City of Magnolia, Montgomery County, Texas (the "City") regulates and owns the natural gas distribution system designed to serve present and future inhabitants within the City; and

Whereas, it is necessary that fees, charges and conditions be modified, and new fees charges and conditions be ratified and established for providing from the natural gas distribution system; and

Whereas, the City Council has carefully considered the matter and is of the opinion that the following rates, charges and conditions should be established for service from the natural gas distribution system; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS:

The following rates and fees and conditions are adopted:

Section 1. Rates and Fees for Natural Gas Services

A. Net Monthly Rate

\$12.50 monthly service fee plus a volumetric cost of service of no more than \$5.75 per 1,000 cubic feet ("*mcf*") of natural gas used.

B. Minimum Monthly Bill

\$12.50 Monthly Service Fee.

C. Low-Density Surcharge

In newly constructed developments in which the average length of main exceeds 150 feet per customer, there shall be a maximum surcharge of \$4.65 per 1,000 cubic feet of natural gas used. The average length of main per customer is calculated by dividing the total length of main within the platted boundaries of the development by the total number of residential and

commercial lots within the platted boundaries of the development.

D. Tax Adjustment

Any applicable changes in Taxes affecting the Volumetric Cost of Service portion of Customer invoices shall be reflected in either upward or downward adjustments, to the extent permitted by Law, to Customer invoices and shall be reported to the applicable regulatory authority. The tax adjustment shall be an amount equivalent to the proportionate part of any new Tax or increase in existing Tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff. Any adjustments in relation to Taxes shall be reported to the applicable regulatory authority.

E. Cost of Gas Provisions

In addition to the Net Monthly Rate above, each Customer invoice will include the reasonable and necessary cost of gas purchased during the 30-day cycle approximately corresponding to the 30-day billing cycle covered by the current invoice. The following provisions shall apply:

1. Each Customer invoice shall be increased by the weighted average cost of gas per mcf charged by suppliers and multiplied by a volume factor to recover an allowance for lost and unaccounted for gas equal to the lesser of the actual amount or five percent (5%) of all natural gas metered into the Distribution System.
2. Taxes on the purchased gas shall be included in the calculations, to the extent permitted by Law. Any changes in applicable tax law will be reflected as either upward or downward proportional adjustments and shall be reported to the regulatory authority.
3. Cost of gas allowance information will be filed with the applicable regulatory authority (if required) each month for the previous month.

Nothing in this provision is intended to prevent or otherwise limit a Governmental or Regulatory Authority to review the costs charged hereunder pursuant to applicable Law.

F. Rate Adjustments

The Monthly Service Fee shall be adjusted in 2008, 2010, 2012, 2014 and 2016 effective July 1 of the year of adjustment by applying the aggregate of the Consumer Price Index (CPI) for the two preceding calendar years as published by the U.S. Department of labor, Bureau of Labor Statistics and rounding up to the nearest one-quarter dollar. Written notice of the adjustment along with supporting documentation must be filed with the City of Magnolia prior to implementing the adjustment.

The Volumetric Cost of Service rate will be further adjusted in 2011 and again in 2016 and effective July 1 of the year of adjustment by increasing the maximum Volumetric Cost of Service by \$0.65 per mcf. Written notice of the adjustment along with supporting documentation must be filed with the City of Magnolia prior to implementing the adjustment.

G. Total Invoice for Gas to Customers

Each Customer shall receive an invoice on a regular monthly schedule which shall include the Net Monthly Service Fee, plus the Volumetric Cost of Service, plus the Low-Density Surcharge if applicable, plus the Cost of Gas, plus the appropriate allocated and assigned portion of the Franchise Fees, plus any applicable Tax Adjustments.

Section 2. Schedule of Miscellaneous Service Charges

1.	Institution of Service	\$ 45.00
2.	Termination of service for non-payment (includes turning off)	\$ 25.00
3.	Restore service after termination for non-payment	\$ 45.00
4.	Restore service after cut off by customer or his agent	\$ 45.00
5.	Turning on or turning off service (per trip)	\$ 45.00
6.	Additional trip required to turn on service, after first trip with no one home	\$ 30.00
7.	Change meter for special test at customer's request or set meter at existing tap	\$195.00
8.	Replace damaged stopcock, plus cost of valve	\$ 45.00
9.	Rebuild meter installation damaged by someone other than Hughes Natural Gas, Inc. (\$/Hr):	
	Requiring construction crew (one hour minimum) plus cost of materials	\$175.00
	No construction crew required (one hour minimum) plus cost of materials	\$ 70.00
10.	Change residential meter location: minimum charge	\$195.00
	Additional meters in manifold (plus cost of materials), each	\$ 50.00
11.	Repair damaged meters and regulators (plus cost of materials):	
	Damage to top cover and/or index	\$ 45.00
	Damage in excess of damage to top cover and/or index	\$ 95.00
	Damage to regulator	\$ 45.00
12.	Re-route or extend yard lines under normal conditions:	
	1 ¼" or smaller (per foot) plus cost of materials	\$ 3.50
13.	Installation and extension of new mains, yard and service lines under normal conditions:	
	Mains not larger than 2" (per foot)	\$ 4.25
	Service lines	\$ 3.50
	Yard lines, 1 ¼" or smaller (per foot) plus cost of materials	\$ 3.50
14.	Boring under sidewalks, driveways, or landscaping for installation of service lines (per foot).	\$ 14.00
15.	Tap charge	\$175.00
16.	Labor for all other service work on customer's installations (no charge for leak check or bill inquiry) with a one hour minimum	\$ 70.00
	Each additional ½ hour (or part thereof)	\$ 35.00
	After normal business hours (one hour minimum)	\$115.00
	Saturdays, Sundays, holidays, after hour call outs (one hour minimum)	\$115.00
	Each additional ½ hour (or part thereof)	\$ 57.50

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| 17. | Collection call, missed appointment, or second re-read | \$ 35.00 |
| 18. | Return check charge | \$ 30.00 |

Installations or service work outside of the scope of items in this Schedule, as reasonably determined by the gas provider shall be quoted by the gas provider and agreed to by the Customer prior to initiating the work order.

Adjustments to Miscellaneous Service Charges

The Miscellaneous Service Charges shall be adjusted every two (2) years, beginning in 2008, and effective July 1 of the year of adjustment, by applying the aggregate of the Consumer Price Index (CPI) for the two preceding calendar years as published by the U.S. Department of Labor, Bureau of Labor Statistics and rounding up to the nearest whole dollar.

Section 3. Deposits

Customer deposits are not required with acceptable credit bureau or other utility report of good standing. Otherwise, deposits will be a minimum of \$100 for standard Customers, and \$125 for residents who qualify for the low-density surcharge. Deposits are determined by estimating one-sixth of the average annual bill.

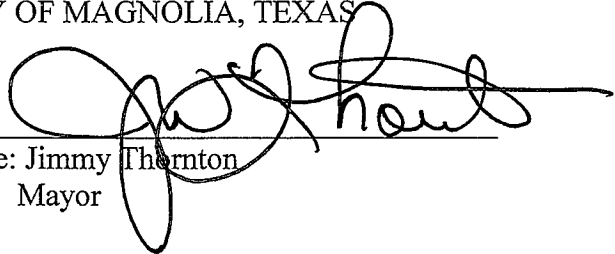
Section 4. Severability

The provisions of this Ordinance are severable, and if any provision or part of this Ordinance or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Ordinance shall not be affected thereby.

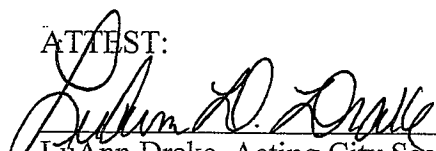
Section 5. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

PASSED AND ADOPTED by a vote of 5 "ayes" in favor and 0 "noes" against on this, the 13th of June 2006.

CITY OF MAGNOLIA, TEXAS

By: 
Name: Jimmy Thornton
Title: Mayor

ATTEST:


LuAnn Drake, Acting City Secretary

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33829 June 16, 2006



**HOUST
COMM
NEWSPAPERS**

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS COUNTY OF MONTGOMERY

Personally appeared before the undersigned, a Notary Public within and for said County and State. Angela Holman, Representative for Robb Reeves, Publisher of the Conroe Courier, a newspaper of general circulation in the County of Montgomery, State of Texas. Who being duly sworn, states under oath that the report of Legal Notices, a true copy of which is hereto annexed was published in said newspapers in its issue(s) of the

16 day of June, 2006

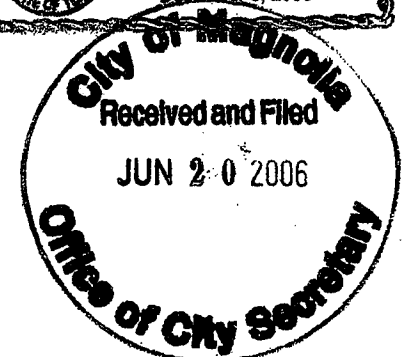
and the _____ day of _____, 2006

Angela Holman
Publisher's Representative

Sworn to and subscribed before me this 19 day of June, 2006

Karen Ann Elton
Notary Public

My commission expires on Dec 6, 2008



AFFIDAVIT OF PUBLICATION

Before me, the undersigned authority, on this day personally appeared Denny O'Brien who on his oath stated:

City of Magnolia
ORDINANCE NO. 2006-091
Ordinance repealing Ordinances No's 228, 239, 272 and 300 and establishing new rates for natural gas service; establishing rates and fees for initial connections to the City's natural gas system; providing fees for connection, re-connection and inspection; requiring deposits for service, and containing other provisions relating to the subject.



I am the Editor of the Tomball Magnolia Tribune, a newspaper published in Montgomery County, Texas and now the facts stated in this affidavit. The attached matter is a true and correct copy of the publication of the citation of which it purports to be a copy, as the same appeared in such newspaper in the respective issue of:

6/26, 2006

_____, 2006

Denny O'Brien, Editor

Subscribed and sworn to this 27 day of June, 2006

