

ORDINANCE NO. O-2012-020

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
MAGNOLIA, TEXAS, AMENDING CHAPTER 94 "UTILITIES" OF THE
CODE OF ORDINANCES OF THE CITY OF MAGNOLIA, TEXAS BY
AMENDING SECTIONS 94-189 THRU 94-191 OF ARTICLE VI
"NATURAL GAS"; ESTABLISHING NEW RATES FOR NATURAL GAS
SERVICE; ESTABLISHING RATES AND FEES FOR INITIAL
CONNECTIONS TO THE NATURAL GAS SYSTEM; PROVIDING FEES
FOR CONNECTION, RECONNECTION AND INSPECTION;
REQUIRING DEPOSITS FOR SERVICE, AND CONTAINING OTHER
PROVISIONS RELATING TO THE SUBJECT.**

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WHEREAS, the City of Magnolia, Montgomery County, Texas (the "City") regulates 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,

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

Section 1. That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

Section 2. The Code of Ordinances of the City of Magnolia, Texas, Chapter 94, Article VI, Sections 189, 190 and 191 are amended and replaced with the following Sections 189, 190 and 191

"Sec 94-189. Schedule of rates and fees; adjustments billing.

Rates and Fees for Natural Gas Services shall be as follows:

(1) *Net Monthly Rate.* There shall be a \$14.25 monthly service fee plus a volumetric cost of service of no more than \$6.40 per 1,000 cubic feet ("*mcf*") of natural gas used.

(2) *Minimum Monthly Bill.* The minimum monthly bill shall be a \$14.25 Monthly Service Fee.

(3) *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.

(4) *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.

(5) *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:

- a. 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.
- b. 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.
- c. 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.

(6) *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.

Sec. 94-190. Schedule of Miscellaneous Service Charges; Adjustments.

(a) *Schedule.* The Schedule of miscellaneous service charges shall be as follows:

(1) Institution of Service	\$ 45.00
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(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
(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.

Sec. 94-191. 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.”

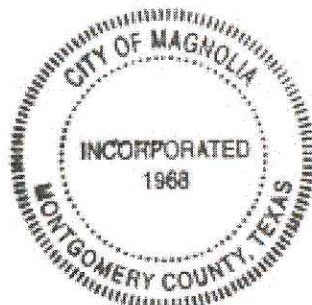
Section 3. Severability. The provisions of this Ordinance are severable, and if any provision or part of this Ordinance or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Ordinance shall not be affected thereby.

Section 4. All provisions in conflict with the provisions of this Ordinance shall be, and the same are hereby repealed, and all other provisions not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section 5. PUBLICATION This ordinance shall take effect when published in the official newspaper of the City of Magnolia as required by Section 52.011 of the Local Government The City Secretary is directed to publish the caption of this ordinance in the official City newspaper and to have it incorporated into the City Code of Ordinances.

Section 6. The City Council finds that a public hearing was properly noticed and held and that notice was posted and the ordinance was passed in accordance with the Open Meetings Act.

PASSED AND ADOPTED by a vote of 4 “ayes” in favor and 0 “noes” against on this, the 12th day of June 2012.



THE CITY OF MAGNOLIA

By: Patsy Williams
Patsy Williams, Mayor Pro Tem

ATTEST:



Lynne George, TRMC, CPM, City Secretary