

RESOLUTION 2016-16

WHEREAS, the City Council of the City of DeFuniak Springs, Florida, desires to establish its usage charges of the city's natural gas system, and;

WHEREAS, Ordinance No. 868 and Chapter 10, Section 10-30, of the DeFuniak Springs Municipal Code provides that said fees shall be set by Resolution, and;

WHEREAS, the City Council of DeFuniak Springs, Florida, has determined that appropriate usage charges of the city's natural gas system shall be set as follows effective December 1, 2016:

(a) Gas rates for monthly billing are as follows:

Residential

Customer Service Charge \$10.00
Volume Charge, per 100 Cubic Feet \$1.00507
Plus Gas Cost Adjustment.
Plus Sales Tax and Utility Tax or Outside-City Surcharge of Ten (10) Percent.

Commercial

Customer Service Charge \$15.00
Volume Charge, per 100 Cubic Feet \$1.00506
Plus Gas Cost Adjustment.
Plus Sales Tax and Utility Tax or Outside-City Surcharge of Ten (10) Percent.

Contract Rate

Cost of Gas Delivered Plus a Negotiated Mark-Up.

(b) Beginning on October 1, 2019, and each subsequent October 1st, the above rates shall be increased by 3%.

(c) *Gas cost adjustment.* The Gas volume charge shall be increased or decreased \$0.00001 per 100 cubic feet for each \$0.00001 per 100 cubic feet (or major fraction thereof) of increase or decrease in the total cost sold above or below a base cost of \$0.34280 per 100 cubic feet. The gas cost adjustment shall be calculated on a monthly basis from the quantity and cost of purchased gas from the supplier and shall be utilized for all billings made by the city to its customers in the month immediately following the given month for which the gas cost adjustment was computed. The formula for computing the monthly gas cost adjustment is as follows:

$$GCA = \frac{(TCp \times 1.00862 \times pf)}{VP} - 0.34280$$

Where:

GCA = Gas cost adjustment factor (\$100 cf).

TCp = Total charges of gas purchased (\$).

Vp = Total volume of gas purchased (100 cf).

1.00862 = Adjustment for system losses (.862%).

0.34280 = Average base cost of gas purchased (\$1100 cf). Recovered by the gas rates.

Pf = Pressure factor.

Applicability: The gas cost adjustment shall be applicable to all residents and commercial gas customers to whom service is provided by the city.

(d) *Contract rates.* The city reserves the option, for any customer whose annual volume of gas purchased is projected to be equal to or greater than five (5) percent of the total metered volume of gas sold by the city, to negotiate a contract rate with said customer. Contract rates will be on a cost of gas plus percentage basis. Credits may be allowed toward capital facilities provided by such customers.

(e) *Utility and sales taxes.* A utility tax of ten (10) percent will be assessed on all residential and commercial gas billings to customers inside the city limits. All applicable state sales taxes shall be charged to all appropriate utility bills.

(f) *Surcharge to customers outside city limits.* A ten (10) percent surcharge will be applied to all residential and commercial gas utility billings to customers outside the city limits, except those furnished gas pursuant to subsection (d) of this section.

(g) *Definition: Customer classification.* Eligibility for residential customer classification shall be limited to those premises occupied and separately metered as residential dwelling units.


All other customers shall be classified as commercial customers except those customers who qualify and who have negotiated a contract rate for gas service within the City of DeFuniak Springs.

(h) *Rate reduction.* Reduction in the rates set forth above shall occur only after the city council has determined that said reduction would not conflict with any of the bond ordinances presently in effect.


NOW THEREFORE BE IT RESOLVED, that the City of DeFuniak Springs, Florida, hereby establishes its natural gas usage charges as set for the herein.

ADOPTED this 14th day of November, 2016.

ATTEST:



Loretta A. Laird, City Clerk



Robert "Bob" Campbell, Mayor