

ORDINANCE NO. 1852

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING ORDINANCE NO. 1642; FIXING AND DETERMINING THE GENERAL SERVICE RATE CHARGED FOR SALES OF NATURAL GAS TO RESIDENTIAL AND COMMERCIAL CONSUMERS IN THE CITY OF MESQUITE, DALLAS COUNTY, TEXAS; PROVIDING FOR RESTITUTION OF UNRECOVERED GAS PURCHASE EXPENSE; AND PROVIDING FOR A GAS COST ADJUSTMENT CLAUSE;

WHEREAS, Section 42 of Article 1446c, Public Utility Regulatory Act of Texas, provides that the regulatory authority with jurisdiction over natural gas rates may, after reasonable notice and hearing; find that the existing rates of any public utility are unreasonable, and the regulatory authority is empowered to determine the just and reasonable rates and fix the same by order to be served upon the public utility; and

WHEREAS, on October 20, 1980, the City of Mesquite, Texas, regulatory authority for sales of natural gas within the City of Mesquite, passed on second reading Ordinance No. 1642 establishing the current level of rates for the sale of gas within the City of Mesquite to residential and commercial customers and establishing a gas cost adjustment clause with certain limitations; and

WHEREAS, due to the limitations upon the gas cost adjustment clause granted in Ordinance No. 1642, Lone Star Gas Company, a Division of ENSERCH Corporation, a Texas corporation, has not been recovering the full cost of the gas it purchases for sales within the City of Mesquite, Texas, which is inconsistent with Section 39 of Article 1446c; and

WHEREAS, it is the desire of the City Council of the City of Mesquite, Texas, to correct the deficiencies in the current gas cost adjustment clause and allow restitution to Lone Star of the gas purchase expense recovery that it was denied in 1982, in the amount of \$460,665.00.

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

SECTION 1. Section 2 of Ordinance No. 1642 is amended as follows:

Section 2. The residential and commercial rates set forth above shall be adjusted upward or downward from a base of 2.3216 per Mcf by a Gas Cost Adjustment Factor expressed as an amount per thousand cubic feet (Mcf) of natural gas for changes in the intracompany city gate rate charge as authorized by the Railroad Commission of Texas or other regulatory body having jurisdiction for gas delivered to the Mesquite distribution system,

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according to the attachment hereto which is incorporated herein. Provided, however, that the 20% annual limitation contained in Section 1 of Ordinance 1272, as follows shall be applicable.

ADJUSTMENTS

The amount of each net monthly bill computed at the above stated rates shall be subject to the following adjustments: Plus or minus the amount of any increase or decrease, respectively, above or below the 2.3216 per Mcf level in the intracompany city gate charge as authorized by the Railroad Commission of the State of Texas or other regulatory body having jurisdiction for gas delivered to Lone Star Gas Company's distribution system for sale to residential and commercial consumers; provided, however, that any such increase shall not exceed 20% of the beginning rate in any one year without prior Council approval. Each gross monthly bill shall be adjusted proportionately. Company, at its option, may forego the application of any adjustment if such adjustment would result in an increase in the monthly bill; however, failure of Company to apply any adjustment shall not constitute a waiver of Company's right from time to time, or at any time, to make any adjustment, in whole or in part, in any subsequent current monthly bill that may be applicable to such bill.

SECTION 2. The attachment to Ordinance No. 1642, which is styled "Lone Star Gas Company Tariffs and Schedules," is amended by amending Item A as follows:

Item A. The following rates are the maximum applicable to residential and commercial consumers per meter per month or for any part of a month for which gas service is available at the same location. Summer rates shall be applicable between the meter reading dates in May and October. Winter rates shall be applicable at all other times.

Residential:	<u>Winter</u>	<u>Summer</u>
Customer Charge	\$3.7500	\$3.7500
All Consumption at	3.3732 Per Mcf	3.1232 Per Mc

If the service period is less than 28 days, the customer charge is \$.1339 times the number of days service.

Commercial:	<u>Winter</u>	<u>Summer</u>
Customer Charge	\$7.0000	\$7.0000
All consumption at	3.3732 Per Mcf	3.1232 Per Mc

If the service period is less than 28 days, the customer charge is \$.2500 times the number of days service.

Bills are due and payable when rendered and must be paid within ten days from monthly billing date.

SECTION 3. The amendment herein to Item A of the attachment to Ordinance No. 1642 (said amendment being contained in Section 2 of this ordinance) shall remain in effect until the sum of \$460,665.00 is collected over and above the amount that would be collected under the rates provided in Ordinance No. 1642, without amendment. Once this sum has been collected by Lone Star restitution will be complete, and the rates shall revert to the rates contained in Item A of the unamended attachment to Ordinance No. 1642.

SECTION 4. With the exception of the specific provisions of Ordinance No. 1642 amended by this ordinance, Ordinance No. 1642, and the attachment thereto, shall continue in full force and effect as amended hereby.

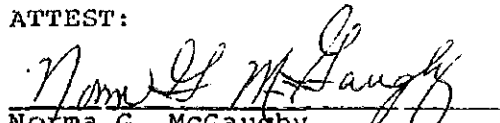
SECTION 5. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public, as required by Texas law, and that advance public notice of the time, place, and purpose of said meeting was given.

PASSED AND APPROVED ON first reading on this the 3rd day of January, 1983.

PASSED AND APPROVED ON second reading on this the 17th day of January, 1983.


KEN GIBBENS
MAYOR

ATTEST:


Norma G. McGaughy
City Secretary

APPROVED AS TO FORM:

Elland Archer
City Attorney

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