

ORDINANCE NO. 1713

AN ORDINANCE AMENDING SECTION 36-489 OF CHAPTER 36 OF THE CITY OF NEODESHA CODE REGARDING COST OF GAS ADJUSTMENT AND REPEALING OLD SECTION 36-489 OF CHAPTER 36 OF THE CITY OF NEODESHA CODE.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF NEODESHA, KANSAS:

Section One: Section 36-489 of Chapter 36 of the City of Neodesha Code shall be amended to read as follows:

Sec. 36-489. - Cost of Gas Adjustment Clause.

Depending on the wholesale supply cost to the City, the City shall use the following formula to calculate an adjustment to be charged to the customer's bill for reimbursement of actual supply cost over the adopted rate as specified in the City's rate. The charge per MCF may be adjusted each month under the following formula:

$$(A + B)/C = D$$

$$D - E = F$$

Where:

A = All Gas commodity cost (purchased and storage) for preceding month.

B = Transportation and any associated costs for preceding month.

C = City gate delivered metered volumes for preceding month.

D = Average delivered commodity cost per MCF for preceding month.

E = The base cost per MCF of natural gas determined each year. Currently, it is \$4.00

F = Adjustment cost charged to customer per MCF (Any decrease in the cost of supplier's gas shall have no effect on the City's base costs as specified in this section.)

The monthly GCA will be applied to those customer bills issued immediately following the month for which the GCA is computed. The city may authorize the use of estimated gas costs and volumes in the GCA when needed to protect the financial condition of the utility or to more fairly apportion GCA cost recovery among customers. Application of the GCA for any month is at the option of the city.

Section Two: Old Section 36-489 of Chapter 36 of the Code of the City of Neodesha is hereby repealed.

Section Three: EFFECTIVE DATE. This ordinance shall be in full force and effect March 1, 2019, after its publication in the official city newspaper.

Passed by the Governing Body of the City of Neodesha, Kansas and signed by the Mayor this 13th day of February, 2019.

ATTEST:

/s/Terry M. Harper

Terry M. Harper, Mayor

/s/Bobby Busch

Bobby Busch, City Clerk

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