

ORDINANCE NO. 1-80

Fixing and regulating the price that may be charged by Columbia Gas of Ohio, Inc., its successors or assigns, for gas to the Village of Spencer, Ohio, and to its inhabitants, for the period from and after the effective date of this ordinance, and ending January 21, 1981.

BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF SPENCER, OHIO:

SECTION 1: That, for the period from and after the effective date of this ordinance, and ending January 21, 1981, the maximum price which Columbia Gas of Ohio, Inc., its successors or assigns, shall be permitted to charge for and the minimum price at which it or they shall be required to furnish gas to the Village of Spencer, Ohio (Municipality), and to its inhabitants, shall be and the same is hereby fixed for each individual consumer, as follows:

Forty-one Cents (41¢) per one hundred (100) cubic feet for the first 2,000 cubic feet, used through each meter each month;

Seventeen and six hundred seventy-five thousandths Cents (17-675/1000¢) per one hundred (100) cubic feet for all in excess of 2,000 cubic feet, used through each meter each month;

A Minimum Charge for each customer each month of Four Dollars and Ten Cents (\$4.10) shall be made. If service under this rate schedule is discontinued at the request of customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the minimum monthly charge for each month of the intervening period, but not to exceed twelve (12) months.

PURCHASED GAS COST ADJUSTMENT PROVISIONS

The service rates prescribed above are subject to an adjustment for any change in the average cost of gas purchased by Columbia Gas of Ohio, Inc., (Company) from all sources of supply, and are predicated upon the average historic cost of gas purchased by the Company of 108.98¢ per one thousand cubic feet. This rate is hereinafter referred to as the "base average rate". The base average rate of this fuel cost clause was based on the average historic cost of gas purchased for the twelve months ended December 31, 1975, at historic supplier rates in effect on March 2, 1976. Any difference between the base average rate and the current "adjusted average rate" will apply immediately upon the effective date of these Purchased Gas Cost Adjustment Provisions.

A. Purchased Gas Adjustment

(1) Semi-Annual Adjustments Effective With Bills Rendered On or About April 1 and October 1 of Each Year

Based on volumes purchased during the twelve billing months ended January and July of each year the Company shall determine the current average cost of gas purchased and such "adjusted average rate" shall be compared to the base average rate stated above to determine the increase or decrease per one thousand ( ,000) cubic feet to the nearest one-hundredth of a cent. This shall be the "purchased gas adjustment" that will apply effective with bills rendered on or about April 1 and October 1 respectively. If, during the twelve-month period under consideration, the Company has commenced purchasing gas under new

contracts or has made significant changes in its purchases from existing suppliers and the effects of these changes in sources of supply have not been in effect for the full twelve-month period, then the Company will adjust the actual volumes purchased during such twelve-month period to reflect the effects of such change in source of supply for a full twelve-month period. The adjustment on or about April 1 will be based on the twelve-month billing period ended January of the same year utilizing supplier rates in effect on the following March 1 of that year. The adjustment on or about October 1 will be based on the twelve-month billing period ended July of the same year utilizing supplier rates in effect on the following September 1 of that year.

(2) Interim Adjustments

If in the intervening period between semi-annual adjustments there is a significant change in source of supply or in supplier rates, the effect of which is to produce an increase or decrease in the adjusted average rate by at least one cent (1¢) per one thousand (1,000) cubic feet, then a new adjusted average rate shall be determined utilizing the most recently available twelve months of gas purchased adjusted to reflect changes in source of supply. The current or new supplier rates will be applied to these volumes to determine the new adjusted average rate and the difference between this new adjusted average rate and the base average rate, to the nearest one-hundredth of a cent per one thousand (1,000) cubic feet, shall be the purchased gas adjustment effective with bills rendered on and after the 30th day following the date on which the change in source of supply or supplier rates was first reflected in billings to the Company, or the 30th day following the filing of notice by the Company, whichever date is later.

B. Actual Cost Adjustment and Refunds

The purpose of this section is to provide fuel cost clause coverage for cost increases or cost decreases not covered in Section A, above. It is intended that minor cost changes of less than one cent (1¢) per one thousand (1,000) cubic feet be temporarily deferred until the next regular semi-annual fuel cost clause adjustment and that such deferred cost increases or decreases shall then be recovered or paid back over the next six (6) month period. This section shall not operate so as to duplicate any cost recovery made pursuant to Section A, above.

The Company will maintain a continuing cumulated balance of monthly comparisons of the actual total Company cost of gas purchased as shown on the books and records of the Company exclusive of refunds, and the total Company cost of gas purchased for the same month priced at the average rate used to determine the purchased gas adjustment applied to service rates pursuant to Section A of this fuel cost clause. Such cumulated balance will be reduced to reflect the effect of the applicable Actual Cost Adjustment in effect for that month applied to total Company volumes purchased for that month.

For each six (6) month billing period ended January and July subsequent to March 31, 1974, an "Actual Cost Adjustment" will be determined by dividing the cumulated balance as of that date by total volumes purchased during the six (6) month period ended on that date. This adjustment will be rounded to the nearest one-hundredth of a cent to determine the increase or decrease per one thousand (1,000) cubic feet. The January calculation will be effective on or about April 1 and will remain in effect until superseded by the July calculation which will be in effect on or about October 1.

If, during the six (6) months under consideration, the Company shall have received a refund or refunds from its suppliers; such refunds, including interest received, shall be listed separately and included as a deduction from the cumulated balance used to determine the Actual Cost Adjustment pursuant to this Section B.

C. General Provisions

(1) The penalty provisions of Columbia Gas Transmission Corporation's (Transmission's) FPC Gas Tariff shall not apply to Sections A and B of this fuel cost clause and any Transmission penalty charges or rate adjustments made pursuant to such penalty provisions shall not be used to determine an adjustment pursuant to this fuel cost clause.

(2) The combined adjustments pursuant to Sections A and B above shall be increased to reflect the effect of the Ohio Excise Tax on gross receipts of gas utilities.

(3) The Company shall file with the Public Utilities Commission of Ohio and the Clerk of Council of the Municipality thirty (30) days prior to the effective date, computations in support of the above fuel cost clause adjustments together with a notice that the adjustments will be placed in effect as of 12:01 A.M. on the effective date. Such filing shall show the current adjustment and cumulative adjustments to be placed in effect on the effective date.

D. PUCO Rule 28 - Gas Cost Recovery (GCR) Provisions

Pursuant to Section 4905.302 of the Ohio Revised Code, the Public Utilities Commission of Ohio (Commission) is required to promulgate a purchased gas adjustment clause to be included in the schedules of gas utilities subject to the jurisdiction of the Commission. Accordingly, the PUCO Staff has developed the Gas Cost Recovery Clause (GCR) and the Commission has adopted it as Rule 28. This rule established investigative procedures and proceedings, including periodic reports, audits and hearings.

When Rule 28 of the Public Utilities Commission of Ohio becomes final, its provisions will be substituted for the above "Purchased Gas Cost Adjustment Provisions" as specified in Subparagraphs A, B and C of this Section.

Prior to first billing pursuant to this paragraph, the Company shall file revised tariff sheets with the municipality and the PUCO reflecting the new base rates. The new base rates shall exclude gas costs, as computed pursuant to the GCR, and Ohio Excise Tax, both of which, thereafter, shall be added to each customer's bill as separate items.

The transition from the "Purchased Gas Cost Adjustment Provisions" (PGA) to the "Gas Cost Recovery Provisions" (GCR) shall be accomplished in such a manner that the customers will receive all refunds and actual cost adjustments due to them at the time of transition.

SECTION 2: That it is expressly conditioned the service to be rendered by said Company, its successors or assigns, pursuant to this ordinance shall be primarily for domestic and commercial purposes and that service shall not be extended to other consumers of different classes until after all reasonable requirements for domestic and commercial purposes are fully met, and this provision shall be binding upon said Company, its successors or assigns, during each month of each year; but during any month or year, subject to the foregoing limitations and after compliance with the foregoing provisions gas may be delivered to any other consumer and additional classes of consumers at such times and under such conditions and for such rates as may be agreed upon between the Company and such consumer or consumers.

SECTION 3: The terms and conditions of the service to be rendered shall conform with and be subject to the Rules and Regulations for furnishing gas service of the Company on file with and approved by the Public Utilities Commission of Ohio.

SECTION 4: That the gas furnished or delivered pursuant to the terms of this ordinance, by the said Company, shall have an average heating value of 1,000 British thermal units per cubic foot for any consecutive twelve (12) month period subject to a variance of not more than five (5) percent upward or downward.

SECTION 5: In the event the State of Ohio, or the Municipality, should hereafter impose a tax upon the Company that is not now imposed, or should hereafter increase the rate of any tax now imposed upon the Company above the tax rate now existing, other than the rate on property listed in the real estate tax list and duplicate, then the rates prescribed in Section 1 shall be increased to the extent necessary to compensate the Company for the increase in cost due to such new tax or higher tax rate. This shall be done in the following manner:

(a) If the new tax or higher tax rate is computed in direct relation to gas sold or revenues received for the sale of gas, the rates set forth herein shall be adjusted to the extent necessary to recompense the Company for the amount thereof.

(b) If the new tax or higher tax rate is not related directly to gas sold or to revenues received for the sale of gas, then the total dollar effect thereof upon the cost of serving gas by the Company in the Municipality shall be determined, based upon operations of the Company in the Municipality during the most recently available twelve month period ending on the last day of the December preceding the effective date of the new tax or higher tax rate; the total dollars so computed shall then be divided by the total sales made to the types of customers covered by this ordinance during the same twelve-month period and the rates prescribed herein shall be correspondingly adjusted.

The adjustment of the rates prescribed in this Ordinance, as provided in subparagraphs (a) and (b) above, shall be made by rounding the mathematical result of the computations so prescribed to the nearest one quarter cent ( $\frac{1}{4}$ ¢) per one thousand cubic feet.

The adjusted rate shall be placed in effect and shall apply to all meter readings occurring on and after the effective date of the statute, ordinance or resolution pursuant to which the new tax or increased tax rate is imposed.

Written notification of the adjustment shall be sent to the Clerk of Council of the Municipality as quickly as possible after the effect of the new tax or higher tax rate can be determined.

SECTION 6: That any ordinance or resolution, or part of an ordinance or resolution, inconsistent herewith, is, to the extent of such inconsistency, hereby repealed.

SECTION 7: That should any section or part of a section or provision of a section of this ordinance be declared void, the remainder of this ordinance shall not be affected thereby.

SECTION 8: That this ordinance shall become effective at the earliest date allowed by law, or upon the expiration of the current ordinance, whichever date is later; provided, however, that this ordinance shall have no force or effect whatsoever unless written acceptance of this ordinance is filed by the Company with the Clerk of Council of the Village of Spencer, Ohio, prior to the expiration of thirty (30) days from the date this ordinance is passed.

PASSED:

4-23-80

ATTEST:

Robert M. Way  
CLERK

Sidney E. Gray  
MAYOR