

CHAPTER 17

GAS SYSTEM

ARTICLE I - ADMINISTRATION

17-1-1 **ORGANIZATION, PERSONNEL.** The Gas Department shall be a subordinate department of the Department of Public Affairs. The Gas Department shall consist of a Gas Foreman and such other subordinate employees as may be appointed to the Department from time to time by the Commissioner of the Department of Public Affairs. **(Ord. No. 12-20; 10-23-12)**

17-1-2 **APPOINTMENT, COMPENSATION.** Whenever a vacancy occurs in the position of Gas Foreman, such position shall be filled by appointment by the Commissioner of Public Affairs subject to approval by the Council. The Gas Foreman shall be an appointed employee of the City and shall receive such compensation as may be fixed from time to time by the Council. **(Ord. No. 12-20; 10-23-12)**

17-1-2-1 **DUTIES.** Under the direction of the Public Works Director, subject to the general supervision of the Commissioner of Public Affairs, the Gas Foreman shall exercise direct supervision and control over all matters relating to the conduct of the Gas Department, and shall have power to make purchases of supplies, to recommend the employ and discharge subordinate employees, and to do all things necessary for the efficient conduct of the business of the Gas Department in accordance with the provisions of the City Ordinances and Statutes of the State of Illinois. The Gas Foreman shall be charged with the responsibility of maintaining continuous and efficient distribution of natural gas to patrons of the Gas Department and for the needs and use of the City for public use. He shall promptly investigate and report to the Council all claims filed against the Gas Department. He shall investigate and report to the Public Works Director, for his approval, all applications for taps to City gas lines and shall make such taps as are approved. The Gas Foreman shall keep in a book especially for such purpose a record of all taps, of the places where tapped, when tapped, and for whom tapped, and the person receiving gas through such tap, for which purpose it is used, and also designate the lot or lots or parcels of land through which each gas supply line runs. He shall also solicit patronage for the Gas Department, and shall become familiar with the laws, ordinances, rules and regulations in relation to the supply and use of natural gas furnished by the Gas Department. It shall be the duty of the Gas Foreman to report to the Commissioner of Public Affairs any and all violations coming to his knowledge of any ordinances of the City relating to the Gas Department, immediately upon receiving information of such violation. He shall have the custody and control of all machinery, tools and implements used by the City in connection with the Gas Department, and he shall be held responsible for any injury or loss of the same caused by his negligence. The Gas Foreman shall have the authority, in

the interests of the City, to direct the work of all subordinate employees in the Gas Department and to effectively recommend to the Commissioner of Public Affairs the suspension, layoff, recall, discharge, reward or discipline of any such subordinate employee, including the adjustment of their grievances. He shall answer all fire calls of the Sullivan Fire Protection District and upon responding to such call, he shall act under the orders of the Chief or Acting Chief of such Fire Department in all matters relating to the termination of natural gas flow to the site of any fire. **(Ord. No. 12-20; 10-23-12)**

17-1-2-2 POLICE POWER. The Gas Foreman shall have the authority to issue a "notice to appear" as defined in Section 107.1(c) of the Code of Criminal Procedure of 1963 **(725 ILCS 5/107-1(c))** for any violation of any ordinance of the City in relation to the Gas Department that may come to his knowledge, and for such limited purpose the Gas Foreman is hereby designated as a "peace office" within the meaning of Section 2-13 of the Criminal Code of 1961 **(720 ILCS 5/2-13)**. **(Ord. No. 12-20; 10-23-12)**

17-1-3 GAS SERVICE; ANNEXATION REQUIREMENT.
(A) Annexation Agreement.

- (1) If the City consents to furnish gas service to a landowner whose property is located outside of the corporate limits of the City then prior to said services being furnished, or before or after service of those systems is transferred from one landowner or customer to another, said landowner or succeeding landowner must agree to sign an annexation agreement with the City in the form as shown in Appendix "HH" whereby landowner shall agree to submit a petition for annexation to the City within **thirty (30) days** of the beginning of the receipt of said service or upon said property becoming contiguous to the City and upon the request of City, whichever event shall first happen.
- (2) The covenants of said annexation agreement shall run with the land and shall be binding upon the parties, their heirs, executors, administrators, assigns, grantees and all persons claiming thereunder.
- (3) Landowner shall convey or dedicate all necessary easements to the City for the extension of utilities or for other public improvements which may serve not only the subject landowner's property, but other properties contiguous to landowner's property. Said easements or right-of-way shall be located as to cause a minimum of inconvenience in the development of landowner's property.

(Ord. No. 05-06; 03-28-05)

ARTICLE II – REGULATIONS

17-2-1 APPLICATION FOR TAPS AND SERVICE CONNECTIONS TO NATURAL GAS SYSTEM. In order to provide for safety in the connections of gas appliances to the gas distribution of the City of Sullivan, any person, firm or corporation making such connection shall first obtain a permit from the office, upon an application which describes the appliance, the location of the property in which the appliance is to be located and the approximate date of connection.

(A) See **Appendix "K"** for Gas Permit Agreement.

(B) See **Appendix "M"** for General Work Permit.

(Ord. No. 12-9; 05-14-12)

17-2-2 COST OF TAP AND GAS SERVICE CONNECTIONS.

(A) All gas consumers supplied by the City shall be supplied through meters only and shall pay for gas at the rates and in the manner hereinafter specified by this Code.

(B) Persons or corporations desiring to use gas shall make application therefore in writing and file the same in the utilities office on a form provided. Upon a permit being granted, the service pipe shall be installed at the expense of the applicant and according to the regulations adopted by the City Council pertaining thereto, and the meter shall be installed and the charge or deposit for the use and connecting of said meter shall be as hereafter prescribed by the City Council.

(C) No gas purchaser may make or employ any person to make any tap or connection with the work upon the premises for alterations, repairs, extensions or attachments without a written permit to be issued therefore by the utility representative.

(D) No owner or employee or agent thereof shall be permitted to conduct gas pipe into any separately owned premises or tenements unless separate and distinct meters be placed on the outside of said premises as required.

(E) In all cases where the service pipe supplies **two (2)** or more separate consumers in a building and which is not in violation of this Paragraph, **one (1) meter** may be placed at the service connection for all of said consumers, and the gas charge, as registered by such meter, shall be charged to and payable by the owner of such premises or building.

(F) The City shall determine the class of service used by each customer and the corresponding applicable schedule of charges for billing purposes.

(G) The City reserves the right to make reasonable changes in rates and conditions here established and to establish further rules and regulations from time to time as may be found expeditious or necessary.

(H) The City will furnish and install a regulator and meter for all complete connections.

17-2-3 ALL SERVICE SHALL BE METERED. All gas services shall be metered with a meter of adequate size to measure the amount of gas consumed. Meters shall be of standard design and may be of the diaphragm, rotary or turbine type property used at the discretion of the City Superintendent. The measurement pressure base shall be **seven (7) inches** water column. The temperature base shall be **sixty degrees Fahrenheit (60°F)**.

17-2-4 GAS SERVICES: EASEMENTS REQUIRED. Where service lines are laid on private property, an easement shall be granted by the owner thereof providing for the installation and maintenance of the proposed service lines to be installed and maintained by the City and for the extension along or across such property for making other service connections from the same service line. This easement is granted by the owner upon the owner's execution of the "Application for Natural Gas Service". **See Section 38-5-38 for easement specifications. (Ord. No. 03-03; 05-12-03)**

17-2-5 METERS, REGULATORS OPEN TO INSPECTION.

(A) All meters shall be so placed and installed as to render the same accessible at all times for the purpose of reading and repairing. All meters shall be set outside of the buildings whenever practical. Required indoor installations must be vented with an adequate vent pipe extending to the outside.

(B) At all reasonable hours, meters, regulators, fittings, fixtures and appurtenances connected to the system and located on private property shall be open for inspection by the proper officers or employees of the City. Any part found to be defective or not in compliance with the provisions of this Chapter shall be immediately repaired or corrected. Service may be discontinued without notice if in the opinion of the utility representative a dangerous or hazardous condition exists in privately owned facilities.

17-2-6 METER READING CONCLUSIVE.

(A) All gas customers shall be liable for the gas consumption as shown by the meter. Waste, leakage or other causes not the fault of the City shall be included under said liability. The meter reading shall be conclusive provided that when a meter is found to have a positive average error, i.e., is fast by **four percent (4%)** or more in test made at the request of the customer, the City shall refund to the customer an amount equal to the excess charged for the gas incorrectly metered for a period not to exceed **six (6) months**. No part of a minimum service charge need be refunded.

(B) When a meter is found to have a negative average error, i.e., is slow by **four percent (4%)** or more in tests made at the request of the customer, the City may make a charge to the customer for the gas incorrectly metered for a period not to exceed **six (6) months**. If a meter is found not to register for any period, the City shall estimate the charge for the gas used by averaging the amounts registered over similar periods, preceding or subsequent thereto, or over corresponding periods, preceding in previous years. Such action shall be taken only in cases of substantial importance where the City is not at fault for allowing the incorrect meter to be in service.

17-2-7 TEST OF METERS.

(A) Any customer may request the City to make a test of the accuracy of the meter, then in use on their premises. Such tests will be made by an independent testing company. In case a consumer requests an accuracy test of a meter, the consumer shall be required to deposit with the City for the sum of **Fifty Dollars (\$50.00)**. Customer will also be responsible for any additional charges incurred associated with the testing.

(B) In the event such meter is found by testing to register incorrectly by more than **four percent (4%)** or more fast, then another meter shall be substituted. If the meter is found to be running above the allowed limit, the City shall reimburse the customer the amount of the test deposit and adjust, by refund or by credit, the amount of the gas bills for a period of not more than **six (6) months** previous to such test as prescribed in **Section 17-2-6** of this Chapter.

(C) In the event such meter is found by testing to register incorrectly by **four percent (4%)** slow, the consumer shall be responsible for the cost of the test and shall be responsible for payment of any additional gas charges for a period of not more than **six (6) months** prior to such test as prescribed in **Section 17-2-6** of this Chapter.

(D) In the event that the meter is found to be registering correctly, the consumer shall forfeit the test deposit and all incurred expense monies. The funds shall be deposited in the gas operating funds of the City.

17-2-8 TAMPERING WITH METER, REGULATOR OR ANY PART OF THE GAS SYSTEM BELONGING TO THE CITY.

(A) It shall be unlawful for any person, firm, corporation or customer to break the seals of any meter or in any manner to make any alterations, changes or repairs on the same or to open any mains, laterals, service pipe, stopcocks, valves or any part thereof or otherwise tamper with or attempt to do any work on either or any of them without authority of the City or its properly authorized agent.

(B) Any person who shall violate any of the provisions of this Section or who shall willfully or maliciously injure or damage any property connected with the gas system of the City shall be subject to the penalty hereinafter prescribed.

(C) Whenever a meter, regulator or other equipment of a service connection which has been installed by the City is found to have been damaged for any cause whatsoever, such damages shall become the liability of the customer who shall pay the City the actual cost of the removal, repairing and/or replacing of such damaged equipment. In the event such damage has caused inaccurate metering, then such gas bills shall be corrected in the manner previously provided for herein to cover the period of time that the gas meter was out of order.

(D) No customer shall be permitted to use the stop cock of the service connection for shutting off gas while making extensions, additions or repairs to the pipe. Interruption of service will be made by the City or its properly authorized employees.

(E) Tampering shall include any type of confinement, enclosure, covering over, surface sealing or changing of the environment relative to any parts of the gas system or equipment of the City. Such tampering shall become the liability of the customer who shall pay the City the actual cost of removal, repairing and/or replacing equipment or material.

17-2-9 RESERVED.

17-2-10 CITY NOT LIABLE FOR AN INTERRUPTION OF SERVICE OR SUPPLY.

(A) The City shall have the right to shut off the supply of gas whenever it is necessary to make repairs, improvements, enforce rules or for any operating reason. In all cases, where possible, a reasonable notice of the circumstances will be given to the customers, but in an emergency the gas may be shut off without notice. Such necessary repairs or work will be made by the City as rapidly as may be practical. The City shall not be held responsible or liable because of any shut off or discontinuance of service for any direct or resultant damages to any person, company or customer.

(B) In the event of such discontinuance of gas service, the City will make every attempt to safeguard the customer and service shall not be renewed until the City authorities have purged the lines and put into service all automatic controls and pilots. In no case shall the customer turn on his own service. The cost of purging the lines, relighting pilots will be borne by the City and the customer will not be liable for any portion thereof. Where the nature of the customer's operations are such that an interruption of service might create a hazard or large economic loss, such customer shall provide facilities for standby service if desired.

(C) Whenever mains, pipes, service connections or other facilities of the gas system are taken up, shut off or interfered with by reasons of any street improvements, the City will endeavor to maintain service so far as is reasonably possible, but will not be directly or indirectly liable for any interruption, poor pressure or damage of any kind either to the customers adjacent or to other customers affected thereby. Direct damage to property due to such operations shall be either repaired or replaced by the City without cost to the customer.

(D) The City expressly stipulates with all customers and other persons who may be affected by the discontinuance of service that it will neither insure nor be responsible

or liable in any manner for any loss or damages direct or indirect by any reason of any fire, or any other cause and all gas service furnished shall also be conditional upon acts of God, inevitable accidents, fire, strikes, riots, or any other cause.

(E) Any customer having a facility, operation, process or activity which cannot tolerate temporary interruption of gas service shall provide an alternate source of on-site fuel or heat for utilization during such interruption. The responsibility for this alternate source rests fully with the customer. **(Ord. No. 04-03; 02-04)**

17-2-11 CONNECTION WITH PRIVATE LINES, GENERAL RULES, REGULATIONS.

(A) Whenever a connection is made with a private line, such service shall be metered at the point of such connection and the individual requesting such service shall provide a satisfactory location for the placing of such metering devices, regulators and other materials and equipment required. Such private lines shall be subject to the inspection of the City prior to making the necessary service connections. The individuals requesting such connection must be present during the inspection.

(B) The City shall have the right and option to demand changes, removal or replacement of any pipe, fixtures or apparatus which is considered to be faulty, inadequate or hazardous, provided, however, that this provision shall not obligate the City in any way or manner. The City shall have the right to refuse or to discontinue gas service without notice to its customers if the City finds any apparatus or appliance in operation which would be detrimental to the efficient operation of the existing facilities.

(C) All persons, firms, corporations and customers are strictly forbidden to attach any electrical ground wire to any fixture or piping which is or may be connected to any gas service pipe, meter or main belonging to the City. The City will hold the owner of the premises responsible and liable for any damage to its property or injury to the employees of the City caused by such ground wire. Any and all customers, persons, firms or corporations shall remove any existing ground wires immediately and if such ground wires are not removed after **twenty-four (24) hours** written notice, the City through its officials, may enter the property and remove such ground wires and the customer shall pay all costs.

17-2-11.1 APPLIANCE SERVICES POLICY.

(A) Neither officers nor employees of the City, nor contractors retained by the City, shall perform service work on piping or equipment owned by a customer beyond the outlet of the gas meter unless it is necessitated by acts of the Gas Department of the City or is in the interest of public safety of persons or property that such work be performed.

(B) The City shall advise customers of the requirements stated in paragraph (A) above and the customer must otherwise arrange for such work to be performed.

(C) Work and responsibility is to stop at the outlet of the meter in conformity with interpretations of the Office of Pipeline Safety as to the applicability of the Minimum Federal Pipeline Safety Standards for gas facilities. **(Ord. No. 04-03; 02-04)**

17-2-12 COMPLAINTS.

(A) All questions and complaints shall be made to the Gas Department of the City who shall be responsible for the proper investigation.

(B) Written complaints received by the City shall be identified by the name and address of the customer, the date, nature of complaint and remedy and kept as a permanent record of the City. The Department shall be required to make a full report to the customer in all such cases, a copy of which shall be filed at City Hall.

17-2-13 REGULATIONS RELATIVE TO CUSTOMERS PIPING, FACILITIES, APPLIANCES AND NECESSARY VENTING.

(A) Customer piping shall be installed in accordance with the regulations of this Chapter and the latest revisions of the following: Standards of National Fuel Gas Code (NFPA 54) 1980 edition. They are incorporated herein by reference and made a part herein.

(B) All general house piping shall be of rigid construction. The pipe from the outlet of the meter shall be of iron pipe of not less than **one (1) inch** inside diameter and shall protrude from the house wall, fastened to the wall by means of a suitable metal strap or clamp at a point not more than **eighteen (18) inches** from the outlet connection of the meter. Any line to be buried shall be at owner expense. All pipe shall be wrapped pipe, welded joints and cathodic protected. This line shall be connected to a line that shall protrude from the building wall. In instances where piping protrudes from the wall, the opposite end shall be securely fastened so that pipe will not turn when fittings at the meter are put on. Any piping installed in ceiling or wall, without ready access, shall be welded.

(C) From any house pipe manifold, pipe to the various appliances shall be of the same dimension or larger than the fitting on the appliance where such appliance is designed and approved for natural gas, subject to the length of the run from the manifold. Where appliances are to be converted from liquefied petroleum gas, pipe from the manifold to the appliance shall be of such size as would be approved by the American Gas Association for natural gas appliances having the same BTU input rating.

(D) No connection will be made with any house pipe manifold that has not been tested for leakage or is not rigidly connected to the building.

(E) All gas conversion burners to be installed shall be A.G.A. approved. All designed heating plants shall be A.G.A. approved and the manufacturer's recommendations for the installation shall be followed. Regulators should be used on refrigerators and large appliances and are recommended on all appliances for best results.

(F) No conversion burner shall be installed in an old or inefficient warm air furnace which is in poor repair or in an old or leaky boiler which is in poor repair. Test for leakage shall be with oil of Wintergreen or smoke bomb on any warm air heating plant before installing a conversion burner. Furnaces shall be removed or repaired if found to be leaking.

(G) Before connecting a flue or vent connector into any chimney, the chimney shall be examined to ascertain that it is properly constructed, clear, clean and will freely conduct the products of combustion from the gas heating appliance in question to the outer air. Water heaters may not be vented into smoke pipes or coal or oil furnaces but should be run separately.

(H) All appliances, excepting cook stoves, must be vented. Draft hoods should be installed where sealed chambers or special draft are not provided. No unvented appliance excepting cook stoves shall be placed in the same room with a gas refrigerator. An approved type vent pipe and draft diverter shall be installed on all gas burning space heating and water heating appliances. Vent pipe shall be installed with not less than **one-half (1/2) inch** rise per foot of horizontal run. General rules for venting as prescribed by N.B.F.U. must be followed.

(I) All positive type catches on firing door flue cleanouts, etc. shall be eliminated and a hinge pin and spring be installed.

(J) Manually controlled water heaters and any type of automatically controlled appliances, except ranges, shall be equipped with automatic pilots of the complete shut-off type.

(K) A gas shut off shall be installed in the fuel line at an accessible point in the immediate vicinity of the appliances.

(L) A high limit control shall be installed on all heating plants. A low water cut-off control shall be installed on all gas fired steam boilers.

(M) All gas burning appliances shall be installed in a location in which the facilities for ventilation permit satisfactory combustion of gas and proper venting under normal conditions of use. The necessary measures shall be taken to ascertain that the above ventilation conditions are present.

17-2-14 **EXCESS FLOW VALVE.** An excess flow valve shall be required on each single family residence service line at the customer's expense. Maintenance required on said valve or replacement thereof shall be at the expense of the City. (**Ord. No. 13-14; 07-22-13**)

17-2-15 **EXCAVATION, CONSTRUCTION, PERMIT REQUIRED.** In order to protect the gas or water mains of the City from damage by persons digging within the boundaries of public streets or public easements for water and gas mains or in the area of service drops from the main to residential and commercial points, all persons shall, prior to digging in such areas, obtain a permit for such digging at the City Office, so that a representative of the City can expose or indicate the locality of gas or water mains to protect them. The permit will be issued without charge by the representative of the City showing the utility line to be marked. Should damage occur from persons digging without a permit, they will be held responsible for the cost of the materials and labor involved. (**Ord. No. 12-9; 05-14-12**)

17-2-16 **RULES TO BECOME PART OF CONTRACT.** All rules and regulations concerning the use of the facilities of the natural gas system of the City and the consumption of gas therefrom shall become a part of the contract with every gas customer and every gas customer shall be subject thereto and bound thereby.

17-2-17 **EXTENSIONS OF GAS MAINS AND SERVICE.**

(A) The City shall not bear the cost of extending gas mains. For progressive "standard" residential lot-to-lot extensions within a platted subdivision or populated area the charge per lot shall be **Four Hundred Fifty Dollars (\$450.00)** to be paid in advance of installation. A standard residential main extension is defined as one having as length of **one hundred fifty (150) feet** or less and being connected to an existing source of supply within that length. This charge is final and non-refundable.

(B) For main extensions (1) other than "standard" residential lot-to-lot installations without or to reach a lot or development, or (2) commercial installations, or (3) industrial installations, either inside or outside the corporate limits, the charge shall be the total estimated cost to the City and shall be paid as an estimate by the applicant at the time the request for gas service is approved. The cost to the City shall include all materials, labor,

equipment, engineering and related items required to complete the gas main extension. In the event that the amount so deposited is greater or less than the actual cost of the extension, such excess or deficiency shall be refunded or paid, as the case may be, prior to initiating gas service.

(C) Extension of mains and services outside the City limits shall be subject to special approval of the Council and shall also be subject to all of the rules and regulations and provisions as provided herein or as may be amended. All mains, lines and equipment shall be constructed by the City and immediately become the property of the City.

(D) The above applies to mains.

17-2-17.1 PROTECTION OF NATURAL GAS FACILITIES DURING AND FOLLOWING SANITARY SEWER CONSTRUCTION.

(A) Plans for sanitary sewer work, which include trenching, must include the general location of all natural gas service lines and mains which cross the construction or are located within **ten (10) feet** of the outer limits of the proposed trenching.

(B) A preconstruction conference must be held not less than **two (2) weeks** prior to the beginning of trenching work and minutes of that conference must be maintained in the permanent records of the gas utility.

(C) The preconstruction conference mentioned in paragraph (B) hereof should be attended by the Superintendent of the excavator and by the Superintendent of the Gas Department of the City.

(D) A written request for the surface marking must be delivered by the excavator to the Superintendent of the Gas Department of the City not less than **two (2) full working days** prior to the initiation of excavation.

(E) Gas facilities to be exposed by excavations shall be specifically identified to the Superintendent of the Gas Department of the City by the excavator **twenty-four (24) hours** in advance of the time that such facility or facilities will be exposed.

(F) The excavator shall report any incident in which gas facilities are accidentally exposed but not damaged, to the Superintendent of the Gas Department of the City not less than **two (2) hours** following such accidental exposure of facilities.

(G) A qualified employee of the City's Gas Department shall be present at the site of any excavation occurring within **ten (10) feet** of any gas service line or other gas facility.

(H) The cost incurred in providing the person described in paragraph (G) above shall be paid by the excavator at actual cost to the Gas Department of the City. **(Ord. No. 04-03; 02-04)**

17-2-18 PENALTIES.

(A) For violation of any of the foregoing rules or for non-payment of gas bills, the City reserves the right to turn off gas without notice and after the gas has been turned off from any service a pipe on account of non-payment of gas bills or violation of rules, the same will not be turned on until all delinquent bills and penalties are paid, together with the expense of the turning off and on of such gas, and no gas will be furnished to any person who is indebted to the City on account of gas purchased.

(B) Any person making a connection to the gas system of the City without compliance with the permit provisions provided herein and the safety test provision provided herein, shall be fined up to **Seven Hundred Fifty Dollars (\$750.00)** for each offense. In addition to the aforementioned penalties, all court costs, which shall include all costs incurred by the City in prosecuting said case, shall be recoverable from anyone convicted of a violation of this Article. **(Ord. No. 18-5; 05-14-18)**

ARTICLE III – GAS RATES

17-3-1 RATES ESTABLISHED. There shall be and are hereby established monthly rates and charges for the sale of natural gas and for the use and service supplied by the Natural Gas System of the City, based on the amount of natural gas consumed as measured by the gas meters, using bases established by the City.

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| (A) | <u>General Service.</u> | |
| | Facility Charge | \$2.00 per meter |
| | Delivery Charge | \$5.6869 per 1,000 cubic feet |
| (B) | <u>Commercial Service.</u> | |
| | Facility Charge | \$5.00 per meter |
| | Delivery Charge | \$5.6035 per 1,000 cubic feet |
| (C) | <u>Industrial Service.</u> | |
| | Facility Charge | \$25.00 per meter |
| | Delivery Charge | \$5.2890 per 1,000 cubic feet |
| (D) | <u>Municipal Facilities.</u> | |
| | Facility Charge | \$2.00 per meter |
| | Delivery Charge | \$0.0000 per 1,000 cubic feet |

(See Chapter 38 Water/Sewer – Article II for customer regulations.) (Ord. No. 18-5; 05-14-18)

17-3-2 PURCHASED GAS ADJUSTMENT. The above stated charges for natural gas service do not include the City’s delivered cost for the purchase of natural gas from its supplier(s) or for distribution system losses, which costs shall be added to the above stated charges. The City Treasurer is hereby empowered and directed to determine the monthly cost of purchased natural gas on a per thousand cubic feet basis. The monthly cost of natural gas shall include the cost from the supplier(s) and an amount to compensate for distribution system losses. The Gas Department shall periodically determine the distribution system loss factor that shall be included in the monthly cost of natural gas. **(Ord. No. 11-10; 06-27-11)**

17-3-3 STATE TAX. Any applicable state tax shall be added to all billings for each class of natural gas service.

17-3-4 **OUTSIDE CHARGES.** In addition to the charges stated herein, General and Commercial services located outside the City limits shall be assessed a monthly service charge equal to **fifteen percent (15%)** of the monthly facility and delivery charges and purchased gas adjustment.

17-3-5 **ELECTRIC PLANT CHARGES.** The City Light Plant may periodically purchase fixed volumes of natural gas from the City for use at the Light Plant. The City shall charge the Light Plant the cost of gas (commodity only) from its supplier plus an amount of **\$0.05 per one thousand (1,000) cubic feet** for natural gas purchased under a separate fixed volume agreement. **(Ord. No. 11-10; 06-27-11)**

17-3-6 **SURCHARGE.** Customers' monthly bills will be computed at the rates set forth herein in accordance with Resolution No. 98-8.

17-3-7 **CONNECTION CHARGES.** The City Gas Department shall establish rates and charges to connect a new residential or commercial service to the natural gas system. The rates shall be on a lineal foot basis for each size of pipe.

17-3-8 **OUTSIDE CONNECTION CHARGES.** A line tapping charge of **Two Hundred Dollars (\$200.00)** shall be charged when installing a service outside the City limits.

17-3-9 **INDUSTRIAL CONNECTION CHARGES.** The charge to connect an Industrial service or new development to the natural gas system shall be established by negotiation with the City's Gas Commissioner and the entity requesting service.

17-3-10 **UTILITY TAX.** There shall be a **two percent (2%)** utility tax added to all gas bills each month.

17-3-11 **OPERATIONAL INFLATION ADJUSTMENT.** The stated charges for natural gas shall be automatically adjusted at the beginning of each fiscal year to partially compensate for the effect of economic inflation on operations, in the amount of **five percent (5%)** of the base monthly rates, exclusive of the Purchased Gas Adjustment. The City Treasurer is hereby empowered and directed to determine the amount of said increase upon a per 1,000 cubic foot basis and to thereafter, effective for the first billing period after the beginning of each fiscal year, charge the adjusted rates to all purchasers of natural gas from the City. **(Ord. No. 11-10; 06-27-11)**

(Ord. No. 98-7; 10-15-98)

[NOTE: The Cafeteria Court provisions in Section 1-1-26 of Chapter 1 shall apply to this Chapter.]