

ORDINANCE NO. 1001

AN ORDINANCE AMENDING CHAPTER XV, ARTICLE SIX, SECTION 15-601 OF THE CODE FOR THE CITY OF MOUNDRIDGE, KANSAS AS ADOPTED BY ORDINANCE NO. 888; SETTING FORTH NEW NATURAL GAS RATES AND CHARGES; AND REPEALING ORDINANCE NO. 975.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF MOUNDRIDGE, KANSAS:

SECTION I. AMENDMENT. That Chapter XV, Article Six, Section 15-601 of the Code of the City of Moundridge, Kansas as adopted by Ordinance No. 888 is hereby amended and changed to read as follows:

Section 15-601 Natural gas rates.

(a) The rate for natural gas consumption for all customers shall be calculated based on metered quantities and shall be billed per MCF or any part thereof. The billing rate per unit (MCF) to the customer shall be determined as follows:

(1) An average total computed per unit cost shall be established for the calendar year prior to the billing cycle each January. As used herein, "total computed per unit cost" means the total of all charges billed to the City by its suppliers divided by the total metered MCF's consumed by the municipality and its customers. A "total computed per unit cost" is based on charges for product, management/administration fees, transportation costs, surcharges incurred by reason of over/under utilization, as charged by the City's suppliers. If it is experienced during any month that actual costs exceed revenues achieved from charging the "total computed per unit cost", resulting in a reduction of a reserve fund balance less than \$100,000, a new "total computed per unit cost" may be established using data from the current month.

(i) Until repealed, \$3.00 shall be added to the "average total computed per unit cost" as calculated above, in order to cover extraordinary expenses incurred as a result of the February 2021 natural gas crisis.

(2) An overhead margin fee of \$3.00 shall be added to the total computed per unit cost paid by the City to its suppliers.

(3) Rates shall apply equally to residential, commercial, and industrial customers, except as indicated in the following sections.

(4) A minimum of two units per month shall be charged to all active accounts.


(b) Commercial and industrial customers shall be eligible for a \$1.50 overhead margin fee providing:

- (1) Minimum average monthly usage exceeds 1000 units.
 - (2) Usage will be of a constant nature with no more than 20 per cent variation during any season of the year, based on average requirements without interruption.
- (c) Commercial and industrial customers may further be eligible to negotiate separate annualized product/transportation rates providing:
- (1) Customer's usage can be separated from the City's contracted volume commitments without incurring penalties for the City.
 - (2) Customer's average monthly usage exceeds 2000 units.
 - (3) Supplier has the capability and is willing to commit to annualized pricing and quantities for individual customers.
 - (4) All negotiations with any natural gas suppliers/marketers will be arranged and participated in by the City. City overhead margin in the amount of \$1.50 will be assessed in addition to negotiated rates.

SECTION II. REPEAL. Ordinance No. 975 is hereby repealed.

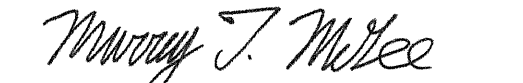
SECTION III. EFFECTIVE DATE. This ordinance shall take effect and be in full force from and after its publication in the Moundridge City website, www.moundridge.com , which website is designated the official newspaper of said City.

PASSED by the Governing Body of the City of Moundridge, Kansas, this 22nd day of March, 2021.



KEVIN SCHMIDT, Mayor

ATTEST:



MURRAY MCGEE, City Clerk

(SEAL)



