

CHAPTER 10-4. ENERGY SERVICES⁶

Footnotes:

--- (6) ---

Cross reference— Administration, Title II; authority to set rates, etc., § 3-2-1; discontinued utility services delinquent customers, § 3-2-7; public service tax levy, § 3-4-66; franchise required for certain transient services and utilities, § 7-1-1; public works and improvements, Ch. 3-2.

ARTICLE I. - IN GENERAL

Sec. 10-4-1. - Fees for natural gas utility service.

Fees for all city furnished natural gas utility services are hereby established based on the cost to provide these services to the customer in addition to those fees and charges provided for elsewhere in this Code. Fees will be reviewed each year through an annual cost of service study to determine any changes in costs to provide service to customers. City council will be notified of any changes through the budget review process each year.

Fees are based on an average annual labor cost for the service including fringe benefits plus the actual equipment cost per hour times the average time (including drive time) to complete each type of work order. The fees will be adjusted from time to time in order to cover the cost of providing this service. The following fees will be reviewed annually:

- (1) *New account and transferred accounts:* This fee covers the initial premises visit to either set the meter and/or establish the beginning meter reading. The technician ensures the meter is working properly, lights all appliances in the home or business, and answers any customer questions.
- (2) *Resumption of terminated service:* This fee covers two (2) site visits. The first visit is to stop service for non payment where the meter is locked and sealed and the second visit is to reactivate service and light all appliances in the home or business.
- (3) *Meter re-reads:* A fee is added to the customer's account for each subsequent request to read a meter if the initial reading has been substantiated.
- (4) *Appliance turn-ons:* This fee covers the premises visit to light pilots.
- (5) *Late payment charge:* One and one-half (1½) percent per month of the amount of the unpaid previous balance charged.
- (6) *Deposits:* Deposits in an amount up to the total of the highest two (2) months bills for service within the previous twelve (12) months may be required of customers who, after the passage of this chapter, have their service cut for nonpayment or have a late payment history. The department of financial services will be responsible for the judicious administration of deposits.
- (7) *Special request fee:* For new accounts, transferred accounts, resumption of terminated service, and pilot light turn-ons to be performed on the same day of the request, and miscellaneous appliance adjustments, a fee of twenty-five dollars (\$25.00) in addition to the fees charged in (1), (2) and (4).
- (8) *Unauthorized overrun fee:* An unauthorized overrun fee of two hundred (200) percent of the applicable rate times the unauthorized quantities of gas taken in excess of the contract quantity will be charged.

- (9) *Operational Flow Order (OFO) charges:* Customers will be given at least eight (8) hours notice of an operational flow order unless a shorter time is required to protect the operational integrity of the system. A customer exceeding allocated volume by less than ten (10) percent during the period restricted by the operational flow order shall be charged for each MMBtu taken in excess of the allocated volume the greater of 1) ESP's weighted average cost of gas multiplied by one hundred five (105) percent or 2) the customer's contract rate multiplied by one hundred five (105) percent. A customer exceeding by greater than ten (10) percent their allocated volume during the restriction shall be charged for each MMBtu taken in excess of the allocated volume ESP's weighted average cost of gas multiplied by one hundred five (105) percent plus twenty-five dollars (\$25.00) per MMBtu.

(Code 1968, § 90-3; Ord. No. 40-86, § 1, 9-11-86; Ord. No. 52-89, § 2, 10-5-89; Ord. No. 14-94, § 4, 5-12-94; Ord. No. 26-99, § 6, 7-22-99; Ord. No. 44-00, § 1, 9-28-00; Ord. No. 13-05, § 1, 9-29-05; Ord. No. 01-06, § 1, 1-12-06)

Editor's note— Ord. No. 40-86, § 1, adopted Sept. 11, 1986, amended § 10-4-1 to read as herein set forth. Prior to such amendment, § 10-4-1 set out fees for municipal utility services.

Section 4 of Ord. No. 01-06 provided for an effective date of Jan. 13, 2006.

Cross reference— Schedule of gas rates and charges, § 10-4-19.

Secs. 10-4-2—10-4-15. - Reserved.

ARTICLE II. - GAS^[7]

Footnotes:

--- (7) ---

Cross reference— Certain utility ordinances saved from repeal, § 1-1-7(10).

Sec. 10-4-16. - Installation of services.

- (a) The city will install for any new customer of its gas service a service line measuring from the gas main to the proposed meter site. For such portion of any such service line, the customer shall pay an installation charge equal to the cost of such installation minus the estimated net first annual revenue to the city derived from the sale of gas at the service address, such estimate to be determined by a representative of Energy Services of Pensacola. There shall be no installation charge if the estimated net first annual revenue exceeds the cost of installation.
- (b) The city may perform work on its distribution system upon customer or contractor request. Where applicable, the customer or contractor will pay a charge to offset the labor and materials expense as determined by a representative of Energy Services of Pensacola.
- (c) ~~The city will offer installation services for natural gas piping and natural gas appliances. Services include but are not limited to gas piping installation for cell towers, natural gas generators, water heater replacements, water heater conversions, miscellaneous house piping, and subcontracting services to builders in the new home construction market throughout the ESP franchise area. Pricing is based on~~

~~standard vehicle costs, labor costs including overhead plus a moderate markup over cost that will not exceed twenty (20) percent. Any applicable rebates will be deducted from the installation charge. Work may be done by outside contractor or ESP staff.~~

(Code 1968, § 98-1(C); Ord. No. 98-83, § 1(§ 98-1C), 7-28-83; Ord. No. 44-00, § 1, 9-28-00; Ord. No. 13-05, § 1, 9-29-05; Ord. No. 01-06, § 1, 1-12-06; Ord. No. 21-11, § 1, 9-22-11)

Editor's note— Section 4 of Ord. No. 21-11 provided for an effective date of October 1, 2011.

Sec. 10-4-17. - Reserved.

Editor's note— Ord. No. 14-94, § 5, adopted May 12, 1994, repealed former § 10-4-17, which pertained to utility services deposit for city residents, as derived from Code 1968, § 98-5; Ord. No. 54-82, § 2, adopted May 13, 1982 and Ord. No. 28-85, § 2, adopted Sept. 26, 1985.

Sec. 10-4-18. - Reserved.

Editor's note— Ord. No. 14-94, § 5, adopted May 12, 1994, repealed former § 10-4-8, which pertained to advance deposit for other than in-city residential, as derived from Code 1968, § 98-5; Ord. No. 54-82, § 2, adopted May 13, 1982 and Ord. No. 28-85, § 2, adopted Sept. 26, 1985.

Sec. 10-4-19. - Schedule of rates and charges.

- (a) Subject to the provisions of subsection 1-1-1(c), the charges and assessments set forth below shall be levied and assessed by the department of Pensacola Energy through the mayor or the chief financial officer for natural gas services provided by the city to consumers.

The charges for gas are segregated according to the following service classifications: residential gas inside and outside the city limits (GR-1, GR-2), commercial gas inside and outside the city limits (GC-1, GC-2), interruptible industrial contract (GI-1, GI-2, GI-3, GI-4), City of Pensacola, almost firm service (GAF), flexible gas transportation (GTS, GPT, GIT, GVT), compressed natural gas service (CNG), and street or outdoor lighting.

- (b) Purchased gas adjustment (PGA)—Service classifications having a distribution charge stated in Mcfs shall have the price per Mcf adjusted by the amount of any increase or decrease in the cost of gas purchased for resale. Changes to the PGA will be effective at the beginning of a monthly billing cycle.
- (c) For the purpose of calculating the municipal public service tax, the city's cost of gas prior to October 1, 1973, was forty-five cents (\$0.45) per Mcf.
- (d) Weather normalization adjustment (WNA)—To adjust for fluctuations in consumption due to colder or warmer than normal weather during the months of October through March of the previous or current fiscal year, a WNA will be assessed on service classifications GR-1, GR-2, GC-1, GC-2, and GIT according to the following formula:

$$\text{WNA} = \frac{R \times (\text{HSF} \times \text{NDD-ADD})}{(\text{BL} + (\text{HSF} \times \text{ADD}))}$$

Where:

WNA = Weather normalization adjustment factor for each rate schedule classification expressed in cents per Mcf.

R = Weighted average base rate of temperature sensitive sales for each included rate schedule.

HSF = Heat sensitive factor for the appropriate rate schedule.

NDD = Normal billing cycle heating degree.

ADD = Actual billing cycle heating degree day.

BL = Average base load sales for each billing cycle.

Normal degree days (NDD) shall be based on the most current National Oceanic and Atmospheric Administration (NOAA) thirty-year normal data. Actual degree days (ADD) shall be based on NOAA data.

- (e) The Distribution Pipeline Infrastructure Cost Adjustment (DPICA) shall be adjusted annually, effective each October 1 by a percentage equal to the amount of eligible distribution pipeline infrastructure costs divided by the total test year margin revenues associated with the residential gas inside and outside city limits (GR-1 and GR-2), commercial gas inside and outside city limits (GC-1, GC-2, and GIT), and municipal operated building and facilities as shown for the 2012 Test Year shown in the most recent Cost of Service and Rate Design Study. Eligible distribution pipeline infrastructure costs include costs that meet all of the following conditions:
- (i) The principal purpose of the project is not to increase revenues by directly connecting the infrastructure replacement to new customers;
 - (ii) The project, or discrete portions thereof, are in service and used and useful;
 - (iii) The costs of the project are not included in the city's existing base rates;
 - (iv) The principal purpose of the project is to replace or extend the useful life of existing infrastructure, or otherwise enhance the infrastructure of city's physical plant; and
 - (v) City undertakes the project to comply with a valid statute, rule, regulation, order or ordinance, or other lawful requirement of a federal, state, or local governing or regulatory body having jurisdiction over pipeline integrity.

The percentage shall not exceed ten (10) percent of the non-gas operating expenses in the current fiscal year budget and will be applied to the rates used for each bill over the following twelve (12) months.

- (f) Distribution and customer charge rates shall be adjusted annually if approved by the city council during budget sessions, effective each October 1 based upon the percentage difference in the cost of living as computed under the most recent Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, U.S. Department of Labor for the period beginning April 1 of the preceding year and ending March 31 of the current year. The applicable rates are residential gas inside and outside the city limits (GR-1, GR-2), commercial gas inside and outside city limits (GC-1, GC-2), contract delivery, and municipal operated buildings and facilities.
- (g) Tariff changes to pipeline transportation fees shall be assessed to each rate class upon implementation by the interstate or intrastate pipeline.
- (h) Service charges shall include a customer charge and a distribution charge. The customer charge is a fixed monthly charge for having gas available and the distribution charge is a variable monthly charge based on consumption of gas. Service charges are as follows:
- (1) *Service classification:* GR-1, residential gas service. (Within city limits of the City of Pensacola).
 - (1a) *Availability.* Available to any consumer using the city's natural gas service for any purpose in a residence only.
 - (1b) *Customer charge.* Nine dollars and twenty-one cents (\$9.21) fixed monthly charge, plus
 - (1c) *Distribution charge.* Seven dollars and seventy-three cents (\$7.73) per Mcf.
 - (2) *Service classification:* GR-2, residential gas service. (Outside city limits of the City of Pensacola).

- (2a) *Availability.* Available to any consumer using the city's natural gas service for any purpose in a residence only.
- (2b) *Customer charge.* Ten dollars and twenty-nine cents (\$10.29) fixed monthly charge, plus
- (2c) *Distribution charge.* Nine dollars and fifty-six cents (\$9.56) per Mcf.
- (3) *Service classification:* GC-1, commercial service. (Within the city limits of the City of Pensacola).
 - (3a) *Availability.* Available to any commercial consumer for cooking, water heating, space heating, air conditioning, and like uses.
 - (3b) *Customer charge.* Sixteen dollars and thirty-one cents (\$16.31) fixed monthly charge, plus
 - (3c) *Distribution charge.* Seven dollars and seventy-three cents (\$7.73) per Mcf.
- (4) *Service classification:* GC-2 commercial service. (Outside the city limits of the City of Pensacola).
 - (4a) *Availability.* Available to any commercial consumer for cooking, water heating, space heating, air conditioning, and like uses.
 - (4b) *Customer charge.* Eighteen dollars and fifty-two cents (\$18.52) fixed monthly charge, plus
 - (4c) *Distribution charge.* Nine dollars and fifty-six cents (\$9.56) per Mcf.
- (5) *Service classification:* GI-1, interruptible industrial contract service, small volume.
 - (5a) *Availability.* Available to any consumer using the city's natural gas service provided the consumer has adequate standby facilities approved by the city that will permit the city to curtail consumption as the city may determine necessary. Service under this rate classification shall be governed by individual contracts with consumer which includes a customer charge, a distribution charge, and a charge for fuel. Such contracts may be executed by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this class or rate must be for not less than one (1) year. All consumers under this rate are subject to the terms of the contract.
 - (5b) *Contract volume.* Not less than twenty-five (25) Mcf per day.
 - (5c) *Customer charge.* Two hundred dollars (\$200.00) fixed monthly charge, plus
 - (5d) *Distribution charge.* Two dollars and five cents (\$2.05) per Mcf.
- (6) *Service classification:* GI-2, interruptible industrial contract service, large volume.
 - (6a) *Availability.* Available to any consumer using the city's natural gas service provided the consumer has adequate standby facilities approved by the city that will permit the city to curtail consumption as the city may determine necessary. Service under this rate classification shall be governed by individual contracts with consumer which includes a customer charge, a distribution charge, and a charge for fuel. Such contracts may be executed by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this class or rate must be for not less than one (1) year. All consumers under this rate are subject to the terms of the contract.
 - (6b) *Contract volume.* Not less than two hundred fifty (250) Mcf per day.
 - (6c) *Customer charge.* Two hundred dollars (\$200.00) fixed monthly charge, plus
 - (6d) *Distribution charge.* One dollar and five cents (\$1.05) per Mcf.
- (7) *Service classification:* GI-3, interruptible industrial flexible contract service, large volume.
 - (7a) *Availability.* Available to any consumer using the city's natural gas service provided the consumer has adequate standby facilities approved by the city that will permit the city to curtail consumption as the city may determine necessary. Service under this rate classification shall be governed by individual contracts with consumer which includes a customer charge, a distribution charge, and a charge for fuel. Such contracts may be

executed by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this class or rate must be for not less than one (1) year. All consumers under this rate are subject to the terms of the contract.

- (7b) *Contract volume.* Not less than five hundred (500) Mcf per day.
- (7c) *Customer charge.* Two hundred dollars (\$200.00) fixed monthly charge, plus,
- (7d) *Distribution charge.* Rates to be negotiated.
- (8) *Service classification:* GI-4, interruptible transportation flexible contract service.
 - (8a) *Availability.* Available to any consumer using the city's natural gas service provided the consumer has adequate standby facilities approved by the city that will permit the city to curtail consumption as the city may determine necessary. Service under this rate classification shall be governed by individual contracts with consumer which includes a customer charge, a distribution charge, and a charge for fuel. Such contracts may be executed by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this class or rate must be for not less than one (1) year. All consumers under this rate are subject to the terms of the contract.
 - (8b) *Contract volume.* Not less than one hundred (100) Mcf nor more than five hundred (500) Mcf per day.
 - (8c) *Customer charge.* Two hundred dollars (\$200.00) fixed monthly charge, plus
 - (8d) *GI-4 distribution charge.* The GI-4 distribution charge shall consist of the following components:
 - 1. The contracted cost of gas as it may vary from time to time, plus
 - 2. The existing transportation rate on Pensacola Energy's distribution system as established under the annual pipeline transportation fees of two dollars (\$2.00) plus ninety-two cents (\$0.92) local transportation charge net per one (1) MMBTU/day transported for gas transportation service, plus
 - 3. A seven cent (\$0.07) margin on the contracted cost of natural gas.
- These three (3) components shall determine the monthly cost of any consumer in this class or rate times the number of MMBTUs used by the consumer.
- (9) *Service classification:* City of Pensacola.
 - (9a) *Availability.* Available to all current municipally operated buildings and facilities, and current and former municipally operated utilities, and other uses as authorized by the mayor. Measurement shall be by standard meter as normally used within Pensacola Energy.
 - (9b) *Customer charge.* Twenty dollars and fifty-eight cents (\$20.58) fixed monthly charge, plus
 - (9c) *Distribution charge.* Three dollars and one cent (\$3.01) per Mcf.
- (10) *Service classification:* GTS, gas transportation service. (For large volume commercial/industrial consumers).
 - (10a) *Availability.* Available to a consumer with sufficient resources for purchasing its own natural gas supplies and transporting it on the city's natural gas system to the consumer's facilities. Pensacola Energy will determine which gate station on Pensacola Energy's interstate pipeline transporter system has adequate capacity to receive the transportation request. There shall be a separate contract with each consumer for each service location which includes a customer charge, a distribution charge, and a charge for fuel. Such contracts may be executed by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this service must be for not less than one (1) year.

Consumers using this service must have adequate standby facilities approved by the city that will permit the city to curtail consumption as the city may determine necessary.

(10b) *Contract volume.* Transportation volumes not less than two hundred (200) MMBTU per day. Volume requirements shall be reviewed in determining if a consumer shall qualify for this rate.

(10c) *Customer charge.* Two hundred dollars (\$200.00) fixed monthly charge, plus

(10d) *GTS distribution charge.* Rates to be negotiated.

An additional \$0.0475/MMBTU shall be added to cover administrative, maintenance, and monitoring costs for the transportation distribution on a daily basis. The consumer must notify Pensacola Energy a minimum of five (5) working days prior to the beginning of each month and identify the volume of the third party gas to be transported on the Pensacola Energy system during that month.

(11) *Service classification:* GPT, gas purchased transportation service. (For large volume commercial/industrial consumers).

(11a) *Availability.* Available to a consumer using the city's natural gas service. There shall be a separate contract with each consumer which includes a customer charge, a distribution charge, and a charge for fuel. Such contracts may be executed by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this service must be for not less than one (1) year. All consumers under this rate are subject to the terms of the contract.

(11b) *Contract volume.* Transportation volumes not less than two hundred (200) MMBTU per day. Volume requirements shall be reviewed in determining if a consumer shall qualify for this rate.

(11c) *Customer charge.* Two hundred dollars (\$200.00) fixed monthly charge, plus

(11d) *GPT distribution charge.* Rates to be negotiated.

A seven cent (\$0.07) margin on the contracted cost of natural gas.

(12) *Service classification:* GAF, almost firm service.

(12a) *Availability.* Available to any consumer using the city's natural gas service. Service under this rate classification shall be governed by individual contracts with consumer which includes a customer charge, a distribution charge, and a charge for fuel. Such contract will be executed by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this class or rate must be for not less than one (1) year. All consumers under this rate are subject to the terms of the contract.

(12b) *Contract volume.* Not less than seventy-five (75) Mcf per day.

(12c) *Customer charge.* Two hundred dollars (\$200.00) fixed monthly charge, plus

(12d) *GAF distribution charge.* Two dollars (\$2.00) for annual pipeline transportation fees plus ninety-two cents (\$0.92) local transportation charge net per one (1) MMBTU/day transported for gas transportation service, plus

A seven cent (\$0.07) margin on the contracted cost of natural gas.

(13) *Service classification:* GIT, flexible gas transportation service.

(13a) *Availability.* Available to any consumer using the city's natural gas service provided the consumer has adequate standby facilities approved by the city that will permit the city to curtail consumption as the city may determine necessary. Service under this rate classification shall be governed by individual contracts with consumer which includes a customer charge, a distribution charge, and a charge for fuel. Such contract will be executed

by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this service must be for not less than one (1) year. All consumers under this rate are subject to the terms of the contract.

(13b) *Customer charge.* Eighteen dollars and fifty-two (\$18.52) fixed monthly charge, plus

(13c) *GIT distribution charge.* Rates to be negotiated.

(14) *Service classification:* CNG, Compressed Natural Gas Service.

(14a) *Availability.* Available to any commercial or industrial customer utilizing natural gas for compressed natural gas refueling facilities. Service under this rate classification shall be governed by individual contracts with consumer. Such contract will be executed by the mayor, based on the recommendations of the Director of Pensacola Energy. Contracts for this service must be for not less than one year. All consumers under this rate are subject to the terms of the contract.

(14b) *CNG Distribution charge.* Rates to be negotiated.

(15) *Service classification:* GVT, flexible governmental industrial transportation service.

(15a) *Availability.* Available to all governmental industrial transportation customers utilizing the city's gas services. Service under this rate classification shall be governed by individual contracts with consumer which includes a customer charge, a distribution charge, and a charge for fuel. Such contract will be executed by the mayor, based on recommendations by the Director of Pensacola Energy. Contracts for this service must be for not less than one (1) year. All consumers under this rate are subject to the terms of the contract.

(15b) *Contract volume.* Transportation volumes not less than two hundred fifty (250) MMBTU per day. Volume requirements shall be reviewed in determining if a consumer shall qualify for this rate.

(15c) *Customer charge.* Two hundred dollars (\$200.00) fixed monthly charge, plus

(15d) *GVT distribution charge.* Seventy cents (\$0.70) per MMBTU.

(16) *Service classification:* Street or Outdoor Lighting.

(16a) *Availability.* Available to firm residential or commercial customers for continuous street, outdoor lighting, or communications power supply.

(16b) *Monthly Rate.*

Communications power supply flat rate\$10.85

Gas lights small, up to 2.36 cu. ft. per hour\$10.85

Gas lights medium, up to 3.48 cu. ft. per hour\$15.95

Gas lights large, up to 4.86 cu. ft. per hour\$22.33

(Code 1968, § 98-1(A); Ord. No. 86-82, § 1, 7-22-82; Ord. No. 168-82, § 1, 11-11-82; Ord. No. 17-83, § 1, 1-27-83; Ord. No. 101-83, § 1, 8-11-83; Ord. No. 42-91, § 1, 9-26-91; Ord. No. 4-92, § 1, 2-13-92; Ord. No. 23-93, § 1, 9-30-93; Ord. No. 46-96, § 1, 9-26-96; Ord. No. 49-98, §§ 1—10, 9-24-98; Ord. No. 43-00, § 1, 9-28-00; Ord. No. 12-04, § 1, 5-27-04; Ord. No. 27-07, § 1, 5-24-07; Ord. No. 37-08, § 2, 7-24-08; Ord. No. 16-10, § 161, 9-9-10; Ord. No. 28-11, § 1, 9-28-11; Ord. No. 14-12, § 1, 7-19-12; Ord. No. 25-13, § 1, 9-26-13; Ord. No. 40-14, § 1, 10-9-14; Ord. No. 18-15, § 1, 9-17-15)

Sec. 10-4-20. - Reserved.

Editor's note— Ord. No. 14-94, § 5, adopted May 12, 1994, repealed former § 10-4-20, which pertained to charge for lighting gas appliances, as derived from Code 1968, § 98-1(D) and Ord. No. 98-83, § 1, adopted July 28, 1983.

Sec. 10-4-21. - Billing.

The department of financial services or the department designated by the director of finance shall issue and send to the consumers of natural gas and the customers of the natural gas services provided by the city, bills and invoices for natural gas furnished consumers and customers by Energy Services of Pensacola, based upon the schedules on file in the clerk's office.

(Code 1968, § 98-3; Ord. No. 26-99, § 6, 7-22-99; Ord. No. 37-08, § 3, 7-24-08)

Sec. 10-4-22. - Collection of charges.

It shall be the duty of the department of financial services to collect the charges set forth on the bills and invoices issued to consumers and customers for natural gas services furnished the consumers and customers by Energy Services of Pensacola.

(Code 1968, § 98-4; Ord. No. 26-99, § 6, 7-22-99)

Sec. 10-4-23. - Disposition of funds collected.

Fees that result from installing gas services should accrue to the gas bond and construction account.

(Code 1968, § 98-1(E); Ord. No. 98-83, § 1, 7-28-83; Ord. No. 14-94, § 6, 5-12-94)