

ORDINANCE 2019-253

AMENDING SECTION 10.11 OF THE CODE OF ORDINANCES OF THE TOWN OF LIVONIA RELATIVE TO NATURAL GAS RATES AND FEES FOR LIVONIA UTILITY SYSTEM

Whereas, natural gas price volatility has reached a level that present rate structure does not ensure Town of Livonia Gas System adequate revenue to continue maintaining gas system in a safe and reliable manner as in the past;

Whereas, present rate structure does not address effect of weather patterns on budgeted revenue for town Gas Fund;

Whereas, present rate structure does not address inflation and its effects on costs;

Whereas, Council wishes to use best efforts to continue to provide its customers with a safe, reliable gas system while also providing them with energy costs at a competitive price;

Now, therefore, be it ordained by the town council of the Town of Livonia, Louisiana that Section 10.11 of the Code of Ordinances of the Town of Livonia, Louisiana, is hereby amended and reenacted to read as follows:

CHAPTER 10, ARTICLE B, SECTION 10.11

A. Availability Charge & Usage Fees

Effective July 1st 2019

Residential

Monthly Availability Charge = \$7.50 (No gas Included)

Usage = All usage will be charged in increments of Hundred Cubic Feet (Ccf), using the following formula:

Cost of Gas to Town (Ccf)

Then - Add \$0.50 per Ccf

Note: all reconnect fees, shut off fees or any other fees not specifically addressed by Sections 10.11 A and 10.11 B of this Ordinance per Town of Livonia Gas System Gas Rates & Fees will stay at the same rate as presently established.

Commercial

Monthly Availability Charge = \$9.00 (No gas Included)

Usage = All usage will be charged in increments of Hundred Cubic Feet (Ccf), using the following formula:

Cost of Gas to Town (Ccf)

Then - Add \$.494 per Ccf

Effective January 1st, 2020

Residential

Monthly Availability Charge = \$9.00 (No gas Included)

Usage = All usage will be charged in increments of Hundred Cubic Feet (Ccf), using the following formula:

Cost of Gas to Town (Ccf)

Then - Add \$0.65 per Ccf

Note: all reconnect fees, shut off fees or any other fees not specifically addressed by Sections 10.11 A and 10.11 B of this Ordinance per Town of Livonia Gas System Gas Rates & Fees will stay at the same rate as presently established.

Commercial

Monthly Availability Charge = \$12.00 (No gas Included)

Usage = All usage will be charged in increments of Hundred Cubic Feet (Ccf), using the following formula:

Cost of Gas to Town (Ccf)

Then - Add \$0.638 per Ccf

Effective July 1st 2020

Residential

Monthly Availability Charge = \$10.50 (No gas Included)

Usage = All usage will be charged in increments of Hundred Cubic Feet (Ccf), using the following formula:

Cost of Gas to Town (Ccf)

Then - Add \$0.80 per Ccf

Note: all reconnect fees, shut off fees or any other fees not specifically addressed by Sections 10.11 A and 10.11 B of this Ordinance per Town of Livonia Gas System Gas Rates & Fees will stay at the same rate as presently established.

Commercial

Monthly Availability Charge = \$15.00 (No gas Included)

Usage = All usage will be charged in increments of Hundred Cubic Feet (Ccf), using the following formula:

Cost of Gas to Town (Ccf)

Then - Add \$0.782 per Ccf

Effective January 1st 2021

Residential

Monthly Availability Charge = \$12.00 (No gas Included) * Annual CPI

Usage = All usage will be charged in increments of Hundred Cubic Feet (Ccf), using the following formula:

Cost of Gas to Town (Ccf) + (Cost of Gas to Town (Ccf) X Prior June thru July Gas Loss Percentage)

Then - Add (\$0.95 per Ccf * Annual CPI) + Revenue Stabilization Factor (if Applicable).

Note: all reconnect fees, shut off fees or any other fees not specifically addressed by Sections 10.11 A and 10.11 B of this Ordinance per Town of Livonia Gas System Gas Rates & Fees will stay at the same rate as presently established.

Commercial

Monthly Availability Charge = \$18.00 (No gas Included) * Annual CPI

Usage = All usage will be charged in increments of Hundred Cubic Feet (Ccf), using the following formula:

Cost of Gas to Town (Ccf) + (Cost of Gas to Town (Ccf) X Prior June thru July Gas Loss Percentage)

Then - Add (\$0.925 per Ccf * Annual CPI) + Revenue Stabilization Factor (if Applicable).

Note: all reconnect fees, shut off fees or any other fees not specifically addressed by Sections 10.11 A and 10.11 B of this Ordinance per Town of Livonia Gas System Gas Rates & Fees will stay at the same rate as presently established.

B. CONSUMER PRICE INDEX (CPI)

On July 1st of every year the Water/Sewer system Availability charge & per unit margin for all non-negotiated rate customers will be adjusted by using the most recent CPI as published by the Bureau of Labor Statistics *Table 1. Consumer Price Index for All Urban Consumers (CPI-U)*

C. REVENUE STABILIZATION FACTOR

To offset unexpected expenses associated with operating the Town gas system, the Town shall compare the approved years beginning budget to the final actual budget. Should there be a variance in excess of ±5 % (where the actual margin exceeds or fails to meet the budgeted margin), the rates will automatically be adjusted for the coming year until the lost revenue is recovered. This would ensure the necessary margins required by the Town for operating the gas system safely & reliably are protected from unforeseen expenses or upsets. The formula to determine the adjustment would be:

$$\text{Test Year Approved Budget (A) Minus Test Year Actual Budget (B) = Revenue Shortfall/Overage (C), then....}$$

$$\text{Total Revenue Shortfall/Overage (C) Divided by Average Annual Usage (D) in Ccf = Revenue Stabilization Factor (E)}$$

OR

$$\text{A-B = C then C/D = E}$$

The amount which results from the formula would then be included in each Ccf billed the following year. The District shall calculate and bill this Revenue Stabilization Factor (RSF) for One (1) calendar year from the date the Calculation is completed at the end of the Fiscal year.

D. REPEALER:

All ordinances, resolutions or parts of ordinances or resolutions in conflict with the provisions of this ordinance are hereby repealed.

E. SEVERABILITY:

If any section, provision, or part of this resolution shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the resolution as a whole or any section, provision, or part thereof, not adjudged invalid or unconstitutional.

F. EFFECTIVE DATE:

This ordinance shall be in effect on July 1, 2019, after its final passage approval, and publication as provided by law.

Said Ordinance having been introduced on April 8, 2019, by Greg Jarreau, notice of public hearing have been published, said public hearing having been held, the title having been read and the Ordinance considered, a motion was made by Greg Jarreau and seconded by Terry Jarreau, to adopt the Ordinance. A record vote was taken and the following results were had:

YEAS:	Bergeron, G. Jarreau, T. Jarreau, LeBlanc, Pourciau
NAYS:	None
ABSENT:	None
ABSTAIN:	None

Whereupon, the Ordinance was declared adopted on this 13th day of May, 2019.

ATTEST and delivered to the Mayor
May 14, 2019
Donna Bergeron, MMC
Town Clerk, Livonia, Louisiana

APPROVED and delivered to the Clerk
May 14, 2019
Rhett Pourciau, Mayor
Town of Livonia, Louisiana

Published in official journal on May 16, 2019.