

**VILLAGE O WAGON MOUND  
NATURAL GAS ORDINANCE # 433-B-03**

**AN ORDINANCE AMENDING SECTION XX-XX RATES SECTION 7  
OF THE VILLAGE GAS ORDINANCE 433-01-A. PERTAINING TO RATES FOR  
NATURAL GAS SERVICE FROM THE VILLAGE OF WAGON MOUND NATURAL  
GAS UTILITIES. ADDING DELINQUENT PHRASE.**

**WHEREAS**, the present Ordinance allows Cost Gas Adjustment (CGA) providing automatic Adjustments to the Cost of gas charged to the customer on a monthly Basis. As the cost gas acquired but delivered to the City's gas Utility System.

**WHEREAS**, the present rates have changed due to the newly negotiated contract.

**WHEREAS**, Section 7 of Gas Ordinance #433-01 is to be amended to make all necessary adjustment.

**WHEREAS**, Accounts delinquent more than two months will automatically be shut off without notice.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE VILLAGE OF WAGON MOUND, NEW MEXICO, that section 7-RATES of the Gas Ordinance #433-01 be amended as follows:**

**XX-XX-7 RATES** The rates for natural gas service from the Village of Wagon Mound Natural Gas Utility System shall be the sum of the parts described below and shall be applied for any Billing Month or part thereof as follows:

a. **BASIC SERVICE CHARGES**

<b>CUSTOMER CLASS</b>	<b>FIRST MCF, &amp;</b>	<b>EACH ADDITIONAL</b>
Small volume user	13.50	7.50
Large volume user	66.50	7.50

- b. **COST OF GAS ADJUSTMENT** the cost of Gas Adjustment (CGA)  
 Provides automatic adjustment to the cost of gas charged to the Customer  
 On a monthly basis as the cost of gas acquired by and delivered to the Village's gas utility system may fluctuate from time to time. The adjustment Shall be applied to the Customer's bill as a separate charge for service.

The cost basis for Basic Services Charge above, and therefore for the CGA, Shall be \$5.32789/MCF. This basis assumes losses through the City's gas Utility system of 4.8%. it reflects the contractual cost of gas commodity, Storage and transportation at the time of commencement of authorized use of the Basic Service Charge shown above, that date being June 1, 2001.

The cost basis for purchased natural gas included in previous Basic Service Charges and the calendar months for which they were applicable are as follows:

<u>June 1999 through October 1999</u>	<u>\$2.81513/MCF</u>
<u>November 1999 through May 2001</u>	<u>\$3.82789/MCF</u>

These data shall be used in the computation of the CGA Balancing Revenue, which is described below.

The Village shall be the source for computation of the CGA. The balancing Revenue shall be established and maintained as follows: in each calendar month, the Village shall compute a CGA for application to billing in the following calendar month. In each calendar month the Village shall sum all costs of natural gas delivered the Village for the immediate previous twenty-four (24) calendar months, taking into account the cost of gas delivered to non-tariff customers, as in the case of Wagon Mound, NM. This sum shall include all gas commodities; storage, transportation and other gas supply related costs as billed by its gas suppliers and transporters. From this sum shall be subtracted the total revenue billed to Customers during the immediate previous twenty-four (24)

Calendar months through the application of past CGA's and the amount billed as the cost basis for purchased natural gas through Basic Service Rates. The resulting amount shall be the CGA Balancing Revenue for collection or refund in the following calendar month.

The CGA Balancing Revenue shall be divided by the total MCF sales billed to Tariff Customers during the immediately previous twenty-four (24) calendar months. The resultant factor is the CGA to be applied to Customer billing in the next Calendar month.

Expressed as formulae, the CGA Balancing Revenue and the CGA for application to billing in the next calendar month are computed as follows:

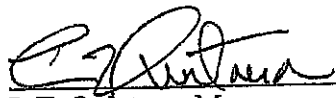
$$\text{CGA Balancing Revenue} = \frac{\{(\text{immediate Previous 24 months' Total Costs of Gas as delivered}) - \{(\text{immediate Previous 24 months' Costs of Gas for Service Revenue}) - \{(\text{Revenue Billed during the Immediate Previous 24 Months' through the CGA}) - \{(\text{Revenue Billed during the immediate Previous 24 Months' through Basic service as the cost basis for purchased natural gas})\}}{\{(\text{Non-tariff Customers})\}}$$

$$\text{CGA} = \frac{\text{CGA Balancing Revenue}}{\text{Immediate Previous 24 Months' Tariff MCF Sales}}$$


The Natural Utility Department shall calculate the CGA on a monthly basis.

In the event that the city determines that its natural gas utility system has operated in a deficit situation in the past fiscal year, no reductions to Customer bill shall be made through the application of the CGA until the City determines that the deficit has been eliminated:

PASSED, APPROVED, AND ADOPTED THIS 14<sup>th</sup> DAY OF April 2003.

  
L.T. Quintana, Mayor

ATTEST:

  
Arcilia M. Valdez, Clerk

