

CHAPTER 14

NATURAL GAS REGULATIONS

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5-14-1: PURPOSE AND INTENT

The following terms, conditions, limitations, regulations, and other requirements, which the City Council has determined are in the best interests of the City, shall be applicable to natural gas (gas) distribution by the City of Mesa (City) and the Department, except to the extent this Council may hereafter authorize exceptions to these rules in particular instances due to special circumstances. The Council shall require an application for such variation with justification for same to be presented in writing for consideration.

5-14-2: DEFINITIONS:

CUSTOMER: The person(s) or entity(ies) in whose name service is rendered, as evidenced by the request for such service by the applicant(s), or by the receipt and/or payment of bills regularly issued in their name regardless of the identity of the actual user of the service.

DEPARTMENT: The City Energy Resources Department or any successor identified by the City, which is responsible for enforcing the requirements of this Chapter.

DIRECTOR: Means the Director of the Department or designee.

GENERAL SERVICE CUSTOMERS: Customers not qualifying as Residential Customers.

MASTER METER CUSTOMERS: Customers who operate Master Meter Systems as defined by the Code of Federal Regulations Title 49, Section 191.

MCF: Thousand (1,000) cubic feet.

PUBLIC UTILITY FACILITIES EASEMENT OR PUBLIC UTILITY EASEMENT: Land granted or dedicated to the City for utility related uses and improvements and associated appurtenances and facilities, as applicable.

RESIDENTIAL CUSTOMERS: Customers who utilize gas service in individually metered dwelling units for non-commercial purposes.

RIGHT-OF-WAY: Land which by deed, conveyance, agreement, easement, dedication, usage or process of law is reserved for or dedicated to the City for street, highway, alley, public utility, or pedestrian walkway purposes.

SYSTEM: Municipal mains, valves, gate stations, service lines, meters, and other facilities used or useful in

the distribution and provision of gas utility service by City.

TERMS AND CONDITIONS: The Terms and Conditions for the Sale of Utilities, as adopted and amended from time to time by Ordinance by the City.

THERM: That amount of gas having a heating value of 100,000 British Thermal Units (BTU).

UNAUTHORIZED USE OF GAS: Unauthorized use of gas shall mean:

- (A) For any Customer, taking unmetered gas by bypassing the meter or modifying the gas meter so as to cause loss or reduction of registration of metered gas flows.
- (B) For any Customer subjected to curtailment during a curtailment period, taking gas in excess of 2% greater than the quantity specified by the City.
- (C) For any Customer with a maximum quantity specified in the gas service agreement between the City and the Customer, taking gas in any billing period in excess of the maximum quantity.
- (D) For any Customer with a maximum connected load specified in a gas service agreement, the connection of equipment or appliances that cause the connected load to exceed the specified maximum.

5-14-3: GENERAL PROVISIONS:

- (A) All Customers and persons receiving or using gas service from the System are subject to, must comply with, and are deemed to have consented to the provisions of this Chapter, the Terms and Conditions and the provisions of applicable rate schedules adopted by ordinances, and to such conditions of pressure and supply as the City may provide from time to time through the System and at the property and location served.
- (B) All Customers and persons receiving and using gas service further take and use such service subject to, and agree to hold the City harmless from, any damages, losses or claims of any kind arising from loss, suspension or curtailment of service and shortage or insufficiency of supply.
- (C) The City shall make all System connections, set all meters, and own all meters. All repairs on mains, meters, service lines to the meter, and service regulators must be made by the Department or as approved by the Director.
- (D) The Department may require written agreements as a condition precedent to service:
 - 1. Pursuant to the provisions of an adopted rate or this Chapter;
 - 2. In connection with System extension or installation of other System facilities; or
 - 3. When the Department, in its discretion, requires such an agreement due to other special circumstances of service as determined by the Director.

5-14-4: MINIMUM REQUIREMENTS FOR GAS SERVICE:

- (A) The Customer will provide, at no cost to the City, Right of Way, a Public Utility Facilities Easement, or a Public Utility Easement, all in a form acceptable to the City, and as needed for the purpose of constructing, maintaining and operating the System, and for the service laterals and other facilities required on the Customer's property up to the point of delivery, which is generally the outlet side of metering equipment.
- (B) As a condition of receiving service, all Customers grant a license to the City and an unconditional right of access to the premises of the Customer at all reasonable times for the purposes of meter reading, connection and disconnection of service as well as installing, removing, inspecting, operating, maintaining, repairing and replacing the System up to the point of delivery.
- (C) The City may require that a Customer provide, at the Customer's own expense, suitable equipment necessary to reasonably limit fluctuations in flow and pressure caused by the Customer's equipment or operations where, in the sole judgment of the Department, such intermittent or fluctuating use of gas may result in either impairment of service to other Customers or damage to the System.

- (D) All extensions of the System, however provided for, shall become the property of the City under control of the City. Clear title to any System facilities constructed by others shall be tendered to the City at no cost prior to City providing service through such facilities. The City's approval and acceptance of any extension facilities shall be within the City's sole discretion, and subject to demonstration of construction in accordance with applicable engineering standards.
- (E) When vegetation (trees, shrubs, vines, etc.) on a Customer's premises encroaches upon any part of the System and interferes or threatens to interfere with the ability to safely operate, maintain and protect the System, the City may prune or remove the vegetation and may charge the Customer for such costs. The City shall not be liable to Customer for any damages associated with the pruning or removal of such vegetation, including, but not limited to, the value of or replacement cost of such vegetation.
- (F) A Customer shall not construct or install any structure (including walls, fences, mailboxes and other permanent objects) or excavate or place fill near any City facilities or part of the System in such a manner that such structure, excavation or fill interferes with the Department's ability to safely operate, maintain and protect the System. The City reserves the right to remove or modify any structure, fill any excavation, or remove any fill that interferes with the ability to safely operate, maintain and protect the System and may charge the Customer for such costs. The City shall not be liable to Customer for any loss or damage to Customer's property resulting from such action. The Department may also require the installation of bollards at the Customer's expense to protect metering and other City equipment.
- (G) In accordance with AAC R14-5-202.I, any Customer or property owner that installs a source of ignition, an opening into a building, an air intake into a building or any electrical source that is not intrinsically safe on or within three feet of an existing or planned System component or facility (including the pressure regulator and its vent or source of release or any other source of release) shall be responsible for the timely remediation of the condition, which may include the removal or relocation of the electrical facilities, or payment to the City for the relocation of the gas facilities (where possible).
- (H) Any Customer that allows or causes a condition that accelerates the corrosion of the System shall be responsible for the costs associated with the remediation of such condition.

5-14-5: RATES:

- (A) The rates, fees and charges for gas service are those approved and adopted by ordinance of the City. For service where there are multiple available optional rates or provisions, the applicant shall designate the rates or provisions, or City may designate the rate or provision until the applicant makes such designation. The City is not required to notify existing Customers of available optional rates or provisions, and because of varying Customer usage patterns, the City cannot guarantee that a Customer's designated rate is the most economical. The City will not make any refunds if the Customer would have paid less for service had the Customer been billed on an alternate rate.
- (B) Should a Customer elect to change to another available optional rate or provision, the change will become effective for the billing cycle commencing after the Customer has requested the change. Where optional rates or provisions are available, only one change requested by the Customer will be allowed in any twelve (12) month period unless otherwise specified by the rate or rate rider or as approved by the Director. The preceding limitation shall not apply where Customer operational changes result in ineligibility under a rate or rate rider.

5-14-6: SERVICE, DISRUPTIONS, AND LIMITATION OF LIABILITY:

- (A) The City will, considering the existing circumstances and conditions and without undue preference or obligation to any Customer, make reasonable efforts to provide satisfactory service and to avoid unreasonable loss, suspension or curtailment of service. The City cannot, and does not, warrant or guarantee a continuous or uninterrupted level of service or delivery of gas to Customers. Service may at any time be suspended or curtailed due to emergencies, performing maintenance, making repairs, extending or replacing the System, other necessary work, or pursuant to the provisions of this Chapter. The Department will endeavor to provide

notice of outages where reasonable and practicable. The City shall not be liable, however, for damages, losses or claims of any kind arising from the loss, suspension or curtailment of service.

- (B) Customers who have any machinery, material, process or plant which requires a constant supply, flow, or pressure of gas shall at the Customer's own expense install upon their property such facilities as will prevent any damage in case service may, for any reason, be lost.
- (C) The City will make reasonable efforts to reestablish lost service considering in all cases the Customer's needs and capacity required, the existing circumstances and conditions, and its obligations to other Customers. The restoration of service will be performed by the Department in the manner which, in the opinion of the Department, will result in the greatest public benefit.
- (D) The City will also make reasonable efforts to complete the installation of new or replacement System mains and facilities within a reasonable time period, also considering the Customer's needs and capacity required, the existing circumstances and conditions, and its obligations to other Customers, but shall not be liable for any delays in completion of such installation.

5-14-7: CURTAILMENT PRIORITIES:

- (A) In times of shortages of gas deliveries to the City which have or may have the effect of impairing the City's ability to render service, the City will make reasonable efforts to request conservation of Customers' gas use, prior to requiring curtailment of Customers' gas use or curtailing gas use by restricting or shutting off gas service.
- (B) During a curtailment period, the Customer may utilize its allotted gas in the manner it desires provided the requested load curtailment is met.
- (C) In establishing a procedure to affect curtailments in accordance with the terms of this Chapter, the Department may develop a plan whereby it may administer curtailments to customers on a basis other than strictly pro rata, provided that the burden of such curtailments on an aggregate basis shall be reasonably equitable as among similarly situated Customers.
- (D) In the event of a partial or total failure in gas transmission or supply or a partial or total failure in the facilities or System of the City which threatens to impair the ability of the City to maintain the integrity of its System, the City may apportion its available supply of gas or capacity between and among Customers or a portion thereof in a reasonable and practical manner as determined by City. In such event the City shall have the right to shut off, discontinue, re-establish, or continue service to any class or combination of classes of Customers, or a portion thereof.

5-14-8: EXTENSIONS OF GAS MAINS, SERVICES AND METERING:

The following governs the extension of the System for service to Customers whose requirements are usual and reasonable as determined by the Department.

- (A) General Conditions for all Extensions of System Facilities for Service and Metering:
 - 1. Extensions of the System, in all circumstances, are subject to the availability of (i) adequate capacity, (ii) suitable pressure, and (iii) the ability to meet the forecasted load requirements based upon the City's present and anticipated gas supply and transmission capacity.
 - 2. Extensions must be designed and constructed for operation at those pressures as are determined by the Department for the area in which the extension is located.
 - 3. The addition of new services must not cause an unacceptable reduction in capacity or pressure availability to existing or committed Customers, as determined by the Department based upon its present, anticipated, or designed infrastructure and forecasted load requirements.
- (B) Cost of Extension of System Facilities for Service and Metering:

1. The Department will undertake an economic feasibility analysis to demonstrate the financial impact for the addition of proposed Customers, or for any upgrade required to an existing service. The methodology employed by the Department shall be applied uniformly and consistently to each customer class requiring a main extension.
2. The City and Customer may be required, based on the economic feasibility analysis, to enter an agreement for the extension of System facilities whereby funds are provided to the City which assure that the City will adequately recover the costs and expenses of extending service over a period not to exceed ten (10) years.
3. For any service or metering upgrades with fees and pricing specifically set forth in the City's Utility Service Fee Schedule or the Terms and Conditions of Service, unless otherwise specifically provided therein, the City may impose such adopted fees as an alternative to performing the analysis as set forth in this Section.

5-14-9: NO VIOLATION OF PUBLIC SERVICE OBLIGATIONS:

The foregoing rules are applicable to Customers in the City and for those Customers receiving City gas utility service outside its corporate boundaries and are adopted by order of the Mesa City Council. The City shall have no liability or obligation arising out of any refusal or curtailment or interruption or cessation of service effected or refused in accordance with the foregoing rules.

5-14-10: NOTICE TO CUSTOMERS AND SAFETY RULES:

To the extent practicable, the City shall attempt to give notice of pending curtailments or interruptions of gas service and re-establishment or recommencement of gas service following curtailments or interruptions; the City will comply with all applicable safety rules, regulations, standards, and procedures, including those in effect under the National Pipeline Safety Act.

5-14-11: EMERGENCY SITUATION; PRIORITIES:

In emergencies or disasters arising from unforeseen causes beyond the City's reasonable control, which threaten the operation or integrity of the System, including decrease or interruption of gas supply to or within the City's system or any part thereof due to line breaks; line freezes; equipment malfunctions; Acts of God, fire, flood, or other similar natural catastrophes; the imposition of any governmental codes, ordinances, laws, rules, regulations or restrictions; national emergencies, insurrections, pandemics, riots, or wars; or other similar casualty, the City shall take whatever steps it deems necessary or appropriate, and without notice or liability, may curtail service to any Customer or Customers if, in its sole judgment, such action will prevent or alleviate the emergency condition or protect the public health and safety. In such a case, the Department may apportion its available supply of gas among its Customers in the manner that appears equitable and of the greatest public benefit under conditions then prevailing and with due consideration for public health, safety, and welfare.

5-14-12: PENALTIES:

- (A) If unauthorized use of gas occurs under the terms contained herein, the Customer shall be subject to the section and title "Unauthorized Use of Utilities" in the Terms and Conditions for the Sale of Utilities.
- (B) Any person that violates any provision of this Chapter shall be guilty of a misdemeanor. Upon conviction, individuals shall be punished by a fine not to exceed \$2,500, or by imprisonment for a period not to exceed six (6) months, or by such fine and imprisonment. Each instance of violation continued shall be a separate offense, punishable as described above.