

PUBLISHED FEBRUARY 18, 2014

OFFICIAL PROCEEDINGS

Excerpt from the minutes of the Duluth City Council meeting held on Monday, February 10, 2014, at 7:00 p.m. in the Council Chamber, City Hall, Duluth, Minnesota.

ORDINANCE NO. 10278

AN ORDINANCE AUTHORIZING PAYING FOR GAS SERVICE EXTENSIONS WITH TWO-TIER RATE, AMENDING SECTION 48-214 OF THE DULUTH CITY CODE, 1959, AS AMENDED.

The city of Duluth does ordain:

Section 1. That Section 48-214 of the Duluth City Code is hereby amended to read as follows:
Sec. 48-214. Generally; gas mains.

(a) The city council hereby finds that the deregulation of the natural gas industry and competition from other energy suppliers has subjected the Duluth public works and utilities department to competitive pressures in the gas sales area that it has never before faced. The city council further finds that the existing methods for extending gas mains in Duluth are cumbersome and capital intensive to prospective gas customers. The city council finds that having a more flexible and cost competitive gas main extension policy would enhance the public works and utilities department's ability to market natural gas and remain competitive with other suppliers. It is the purpose of this Section to provide a method of developing gas main extensions that will enable the public works and utilities department to remain competitive in the future;

(b) The director of the public works and utilities department, with the approval of the Duluth public utilities commission, may develop programs and procedures for the extension of gas mains and services, funding of gas main extensions and services connect thereto and procedures for connecting previously unassessed properties to existing mains and for assessing previous unassessed property to such mains in addition to procedures set forth in the City Charter. Without limitation, these programs may involve the creation of a two tiered gas rate in lieu of assessments for gas main extensions and services and may involve the development of a sinking fund to finance future gas main extensions. These programs may also provide that the department may enter into long term gas usage agreements with customers in conjunction with such main and service extensions. No such extension program shall take effect until it is approved by resolution of the Duluth public utilities commission, subject to review and veto by the city council in the same manner as is provided for in Section 2-187 of the City Code.

Section 2. That this ordinance shall take effect 30 days after its passage and publication.

(Effective date: March 20, 2014)

Councilor Filipovich moved passage of the ordinance and the same was adopted upon the following vote:

Yeas: Councilors Filipovich, Fosle, Gardner, Hanson, Julsrud, Larson, Russ, Sipress and President Krug-- 9

Nays: None -- 0

ATTEST:
JEFFREY J. COX, City Clerk

Passed February 10, 2014
Approved February 10, 2014
DON NESS, Mayor