

Ordinance Number 2015-05

AN ORDINANCE AMENDING ORDINANCE #2000-05

GAS RATES AND CHARGES

WHEREAS, it is necessary to set the gas rate to the customers in order to operate said gas system,

THEREFORE BE IT ORDAINED, by the City Council of the City of Olive Hill as follows:

Minimum Bills for Gas Service

The customer charge shown below will be charged to each property owner or tenant who has a gas meter located on the property. This minimum charge will be assessed on each account even if no gas was used during the billing period. There are costs associated with having gas available for use, such as meter reading, salaries, debt, maintenance of lines, depreciation, materials and supplies, and insurance that the city must recover.

Calculation of Rates

The monthly rates are determined based on two separate components, the cost of purchased gas and the operation and maintenance expenses. The price of purchased gas changes each month and the City must be able to pass the gas costs on to its customers in a timely manner. Therefore, each time the cost of gas is increased or decreased to the City from its supplier, the schedule of gas rates as heretofore set out shall be adjusted by the utility department. The City will not adopt a new ordinance at the time of said adjustment.

The operation and maintenance portion of the rates are only changed after a review of all expenses, less purchased gas, and approved by city ordinance. Based on the latest rate analysis (August 2015), the operation and maintenance portion of the rate is:

Inside City

Customer Charge	\$10.05
All Usage*	4.75 per 1,000 cubic feet

Outside City

Customer Charge	\$13.05
All Usage*	4.75 per 1,000 cubic feet

The customer charge is charged to all customers and does not include any usage allowance.

*In addition to the above rates, a charge per 1,000 cubic feet will be assessed based on the current cost of gas in order for the City to pay its supplier.

Deposits for Gas Service will be as follows:

Every person or business applying for utility service from the City of Olive Hill shall place with the Utility Clerk a customer deposit to secure the payment of his or her utility bill. Utility deposits may not be transferred from one location to another and utility service will not be connected until deposits are paid.

Residential Deposits

Landowner	\$175.00
Renter / Tennant	\$200.00

Small Commercial Deposits

Deposit	\$300.00
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Large Commercial / Industrial Deposits

Deposit	\$1,000.00
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A customer deposit refund will be made when the customer requests a discontinuation of the service and all claims due to the city have been paid. Any residential customer who owns and resides in the residence may request a refund of their customer deposit following two (2) years of continuous residency and that possess a good payment record with the city. Any customer who owns real estate and has been a resident for two (2) years with a good payment record with the City will not be required to make customer deposits on additional residencies in their names. All businesses must place deposits with the city regardless of prior deposits made. Customer deposits held for businesses and non-property owners will not be refunded until all claims due to the city are paid in full.

Customer deposits shall be refunded plus the amount of interest accrued less one (1) percent administrative costs.

Tap Fees and Connections to Gas System

Only property owners can apply for and obtain a gas tap.

Inside City

Residential Tap Fee	\$300.00
Commercial—Small or Large	\$400.00
Industrial	\$500.00

Outside City

Residential Tap Fee	\$400.00
Commercial—Small or Large	\$500.00
Industrial	\$600.00

Disconnection of Services

If the bill for service is not paid in full on dates due, (15th of each month) a ten percent penalty will be added after 10:00 A.M. the following work day and the account or accounts deemed delinquent. A cutoff list will be provided for the meter readers or other city workers for disconnection of utility service and delinquent utility accounts shall be disconnected beginning the 26th day of the month during which they become delinquent.

If all past utilities and reconnects are not paid in full by the month following disconnection of the account will be deemed final and all deposits held on the account will be applied. In order to initiate new services the occupant will be required to apply new deposits with the city utilities and pay all back bills that the previous deposits did not cover.

Reconnection Fees

There will be a Twenty-Five (\$25.00) dollar reconnect fee per utility if disconnection of services occurs.

Meter Testing

In the event of a customer complaint that our metering equipment is not valid the customer shall place with the city a fifty (\$50.00) dollar deposit and the City of Olive Hill Utilities will have meter tested at the expense of the City. If said meter is found to be functioning properly, there will be no refund of the deposit and all amounts and penalties will be due by the due dates. If said meter is found to be incorrect in reading, the city shall replace said meter and refund the customers deposit of fifty (\$50.00) Dollars. The customer is responsible for the payment of current bill during the time of testing and all penalties will occur on scheduled dates.

Returned Checks & Fees

Returned checks will be assessed a Twenty Five (\$25.00) returned check fee. After receiving two (2) returned checks the customer will be notified either in writing or per phone that the utility company will not accept their personal check as payment for utility payments for a period of one (1) year. Returned checks that are not paid for in full within two (2) weeks of the date of issue will be disconnected for non-payment of services.

Theft of Services

Any person or persons found attempting to bypass or tamper with any utility recording instrument will be prosecuted to the fullest extent of the law and shall have all services disconnected until utility clerk approves reinstatement.

Additional Services


The city will commence at a point on an existing gas main, make a tap, furnish and install gas line to the property boundary or 100 feet, whichever is less. If it is necessary to cross roads or go through rock, the extra expense will be borne by the customer. The customer is responsible for the gas line from the gas meter to the building. The city will furnish the gas meter and regulator.

All utilities must be installed in accordance previously adopted codes and state regulations and will be subject to inspection at any time.

Under no circumstances shall the City Council, City Clerk, or Office of the Mayor, interfere in the payment of these bills when due. Also, there shall be no guarantee of payment from Council Members, City Clerk, or Mayor unless full payment is made at the time by check, cash, or money order, to the utility office, the utility department office shall enforce the ordinance and shall not deviate from this ordinance under any circumstances.

Any ordinance in conflict or adverse to the provisions contained herein shall be rendered null and void upon the adoption of this ordinance. Any provision contained herein which is contrary to Kentucky Revised Statutes shall be null and void without affecting the remaining provisions contained herein.

Adopted and enacted this 23 day of September, 2015



Mayor, Kenny Fankell

ATTEST: 

City Clerk, Angela Owens

1st reading: August 18, 2015

2nd reading: September 15, 2015

Publication: September 23, 2015