

ORDINANCE  
City of Portland, Tennessee  
No. 20-49  
Second Reading

**AN ORDINANCE TO AMEND THE CITY OF PORTLAND MUNICIPAL CODE TITLE 19, CHAPTER 2, TITLED GAS**

**WHEREAS**, the City of Portland has determined to amend the Municipal Code Title 19, Chapter 2 titled Gas; and

**WHEREAS**, the City of Portland is hereby amending Title 19, Chapter 2 by deleting and replaced with the following:

**TITLE 19**  
**CHAPTER 2**  
**NATURAL GAS**

**SECTIONS**

- 19-201. Application and scope.
- 19-202. Definitions.
- 19-203. Obtaining service.
- 19-204. Application and contract for service..
- 19-205. Service charges for temporary service.
- 19-206. Connection charges.
- 19-207. Gas Main Extensions
- 19-208. Gas service line installation policy
- 19-209. Variances from and effect of preceding section as to extensions.
- 19-210. Meters.
- 19-211. Meter tests.
- 19-212. Multiple services through a single meter.
- 19-213. Billing.
- 19-214. Discontinuance or refusal of service.
- 19-215. Re-connection charges.
- 19-216. Termination of service by customer.
- 19-217. Access to customers' premises.
- 19-218. Inspections.
- 19-219. Customer's responsibility for system's property.
- 19-220. Customer's responsibility for violations.
- 19-221. Supply and resale of gas.

- 19-222. Unauthorized use of or interference with gas supply.
- 19-223. Damages to property due to gas pressure.
- 19-224. Liability for cutoff failures.
- 19-225. Restricted use of gas.
- 19-226. Interruption of service.
- 19-227. Schedule of rates.
- 19-228. Applicability of chapter.

#### **19-201. Application and Scope**

The provisions of this chapter are a part of all contracts for receiving gas service from the City and shall apply whether the service is based upon contract, agreement, signed application, or otherwise.

#### **19-202. Definitions**

- (1) "Customer" means any person, firm, or corporation who receives gas service from the City under either an express or implied contract.
- (2) "Household" means any two (2) or more persons living together as a family group.
- (3) "Service line" shall consist of the pipe line extending from any gas main of the City to private property. The service line shall be construed to include the pipe line extending from the City's gas main to and including the meter.
- (4) "Discount date" shall mean the date ten (10) days after the date of a bill, except when some other date is provided by contract. The discount date is the last date upon which gas bills can be paid at net rates.
- (5) "Dwelling" means any single structure, with auxiliary buildings, occupied by one or more persons or households for residential purposes.
- (6) "Premises" means any structure or group of structures operated as a single business or enterprise, provided, however, the term "premise" shall not include more than one (1) dwelling.

#### **19-203. Obtaining Service**

A formal application for either original or additional service must be made and approved by the City before connection or meter installation orders will be issued and work performed.

#### **19-204. Application and Contract for Service**

Each prospective customer desiring gas service will be required to sign a standard form of contract before service is supplied. If, for any reason, a customer, after signing a contract for service, does not take such service by reason of not occupying the premises or otherwise, he shall reimburse the City for the expense incurred by reason of its endeavor to furnish said service. The receipt of a prospective customer's application for

service, regardless of whether or not accompanied by a deposit, shall not obligate the City to render the service applied for. If the service applied for cannot be supplied in accordance with the provisions of this chapter and general practice, the liabilities of the City to the applicant shall be limited to the return of any deposit made by such applicant.

#### **19-205. Service Charges for Temporary Service**

Customers requiring temporary service shall pay all costs for connection and disconnection incidental to the supplying and removing of service in addition to the regular charge for gas service.

#### **19-206. Connection Charges**

Service lines will be laid by the City from its mains to the property line at the expense of the applicant for service. The location of such lines will be determined by the municipality. Before a gas line will be laid by the City, the applicant shall make a deposit equal to the estimated cost of the installation. This deposit shall be used to pay the cost of laying such new service line and appurtenant equipment. If such cost exceeds the amount of the deposit, the applicant shall pay to the City the amount of such excess cost when billed therefor. When a service line is completed, the City shall be responsible for the maintenance and upkeep of such service line from the main to and including the meter, and such portion of the service line shall belong to the City. The remaining portion of the service line beyond the meter shall belong to and be the responsibility of the customer.

#### **19-207. Gas Main Extensions**

Persons desiring gas main extension must pay all the cost of making such extensions.

- (1) Each prospective customer desiring gas service from the City must make application for such service and must comply with all pertinent ordinances and rules and regulations established for the operation of the gas department. Fees for gas service line and other related fees shall be a set by ordinance. Service shall be provided for any customer within the City limits, so long as access to a gas main economically feasible. Main extensions outside the City limits shall depend on the economic feasibility of extending the mains as determined by the Director of Utilities and the availability of funds. Any prospective customer so refused has the right to ask the City council to reconsider and rule on the application.
- (2) Natural gas service shall be made available to all lots within new subdivisions by approval from the City of Portland. A Developer's Agreement shall be executed by the City and Owner outlining the cost sharing options below:
  - a) Developer purchases gas taps for fifty percent (50%) of the total lot count and installs a natural gas water heater and natural gas HVAC unit per tap:

City pays 100% of the construction cost
Developer pays 0% of the construction cost

- b) Developer purchases gas taps for twenty five to fifty percent (25%-50%) of the total lot count and installs a natural gas water heater and natural gas HVAC unit per tap:
  - City pays 50% of the construction cost
  - Developer pays 50% of the construction cost
- c) Developer purchases gas taps for less than twenty five percent (25%) of the total lot count and installs a natural gas water heater and natural gas HVAC unit per tap:
  - City pays 0% of the construction cost
  - Developer pays 100% of the construction cost

(3) The Developer shall provide the City, prior to the City commencing design, a letter of credit for the construction cost of the proposed improvements as estimated by the City. The Surety shall be held for up to five (5) years and may be called for failure to comply with the provisions of the Agreement in whole or in part according to the terms of the Surety. Upon completion of the development, but no more than five (5) years, the City shall release the bond as per the percentage complete of the development as outlined above. A five percent (5%) addition to the surety shall be added each year for up to five (5) years to cover construction cost.

#### **19-208. Gas Service Line Installation Policy**

The City of Portland Natural Gas Department (a municipally-owned and operated system, referred to as OPERATOR) will install the approximately sized service line, where the main is available, from the main to the building wall of the residence, commercial or industrial establishment, set the meter, perform the necessary tests for required safety measures, inspect customer piping's, and turn the gas on for use by the customer, after the customer has paid applicable fees and meter deposits as are current. Approval will be subject to the compliance with the Standard Building Code as required by title 12, chapter 4, of the gas code of the City of Portland, §§ 12-401-12-404. The customer will also have been cleared for installation from the following:

The Portland Gas System reserves the right to refuse installation of more than 1,500 feet of service line to any customer, basing its decision on one or more of the following factors:

- (a) Excessive length of service line over lands that may be tilled for crops, or that the customer plans to till, or may plan to clear of timber, and/or any similar work or procedure which would likely damage a service line;
- (b) Roughness of terrain, such as rocky conditions, creeks or branches of water to cross, which could likely pose more damage to a service line, or create the possibility of wash-outs of the line, or of rock working its way into the pipe;

(c) The angle of installation which a customer may request across vacant property which could, at some point in time, be subdivided for development and make relocation necessary;

These decisions will be based on the expertise and knowledge of the Director of Utilities and gas department supervisor/crew leader, and will be based on fact, and made as consistently to the individual situation as is reasonably possible, without bias or partiality, and with the safety of the customers and the OPERATOR'S liability and responsibility foremost in consideration.

In such cases when decision is made to go beyond the 1,500 feet limit, documentation will be kept with the tap sheet (work order) to verify the reasoning for the allowance. Said documentation will bear the signature of the decision maker. (Examples may be, but not limited to, a consumption factor which would render this tap installation more profitable to the system than the average service line connection, such as commercial versus residential, and/or no other heat source available to a customer experiencing extreme hardship.) Costs incurred for installation beyond 1,500 feet will be passed on to the customer.

Regulations governing the transportation and disposition of natural gas, the responsibilities and liabilities of the OPERATOR, and factors determining the feasibility for the municipally-owned system, make it necessary that this policy be adopted by the City of Portland, for compliance by its gas system, the public welfare requiring it.

All such extensions shall be installed either by City forces or by other forces working directly under the supervision of the City in accordance with plans and specifications prepared by an engineer registered with the State of Tennessee.

Upon completion of such extensions and their approval by the City, such gas mains shall become the property of the City. The persons paying the cost of constructing such mains shall execute any written instruments requested by the City to provide evidence of the City's title to such mains. In consideration of such mains being transferred to it, the City shall incorporate said mains as an integral part of the City gas systems and shall furnish gas service therefrom in accordance with these rules and regulations, subject always to such limitations as may exist because of the size and elevation of the mains.

#### **19-209. Variances From and Effect of Preceding Section as to Extensions**

Whenever the City council is of the opinion that it is to the best interest of the City and its inhabitants to construct a gas main extension without requiring strict compliance with the preceding section, such extension may be constructed upon such terms and conditions as shall be approved by the City council.

The authority to make gas main extensions under the preceding section is permissive only and nothing contained therein shall be construed as requiring the City to make such extensions or to furnish service to any person or persons.

#### **19-210. Meters**

- (1) All meters shall be installed, tested, repaired, and removed only by the City.
- (2) No one shall do anything which will in any way interfere with or prevent the operation of a meter. No one shall tamper with or work on a meter without the written permission of the City. No one shall install any pipe or other device which will cause gas to pass through or around a meter without the passage of such gas being registered fully by the meter.
- (3) Tampering with utility equipment or stealing service will be grounds for discontinuance of utility service. Theft of service shall include, but not be limited to the following:
  - a) Opening valves at the curb or meter that have been turned off by utility personnel;
  - b) Breaking, picking or damaging cutoff locks;
  - c) By-passing meters in any way;
  - d) Removing, disabling or adjusting meter registers, or transmitters;
  - e) Connecting to or intentionally damaging gas lines, valves or other appurtenances for the purpose of stealing or damaging utility equipment;
  - f) Moving the meter or extending service without permission of the utility;
  - g) Any other intentional act of defacement, destruction or vandalism to utility property or act that affects utility property;
  - h) Any intentional blockage or obstruction of utility equipment.
- (4) A "notice of violation" may be mailed or otherwise delivered at the discretion of the Director of Utilities if:
  - a) Evidence suggests the possibility of theft of utility service at the customer's premises;
  - b) The violation does not constitute an immediate threat of safety or equipment integrity to the system. The customer will be ordered to immediately cease any unlawful practice.
- (5) No "notice of violation" will be mailed or delivered and customer service is subject to immediate cutoff in any of the following situations:

- a) In the opinion of the Director of Utilities, theft of service is definitely evident on the customer's premises;
- (6) In addition, the customer will be subject to a five hundred-dollar (\$500.00) violation payment as well as service call charges, labor and replacement parts as detailed by the utility.
- (7) If the City determines theft of service has occurred, it reserves the right to adjust the customer's current bill and the bills for the past twelve (12) months' usage. If the approximate amount of service that was stolen cannot be reasonably determined, the customer's usage will be set at two to four (2-4) times the minimum bill, as set on a case by case basis by the governing board of the utility according to the facts of each case.
- (8) Service will not be restored until all payments for the following are received by the utility:
  - a) Adjusted payment for utility service
  - b) Violation payment (see section (6) above)
  - c) All service call charges
  - d) Labor
  - e) Replacement parts
  - f) Reinstatement of service charge
- (9) Service will be reinstated only during the hours listed and at the corresponding fees as approved by Ordinance #19-75, August 19, 2019, unless otherwise directed by the Director of Utilities
- (10) Discontinuance of service by the utility shall not release the customer from liability for payment for service already received or from liability from payments that thereafter become due under the minimum bill provisions or other provisions of the customer's contract.

#### **19-211. Meter Tests**

The City will, at its own expense, make routine tests of meters when it considers such tests desirable. The City will also change meters and make tests or inspections of its meters at the request of the customer at no cost to the customer.

#### **19-212. Multiple Services through a Single Meter**

No customer shall supply gas to more than one dwelling or premise from a single service line and meter without first obtaining the written permission of the City.

Where the City allows more than one dwelling or premise to be served through a single service line and meter, the amount of gas used by all the dwellings and premises served through a single service line and meter shall be allocated to each separate dwelling or premise served. The gas charges for each such dwelling or premise thus served shall be computed just as if each such dwelling or premise had received through a separately

metered service the amount of gas so allocated to it, such computation to be made at the City's applicable gas rates schedule, including the provisions as to minimum bills. The separate charges for each dwelling or premise served through a single service line and meter shall then be added together, and the sum thereof shall be billed to the customer in whose name the service is supplied.

#### **19-213. Billing**

Bills for residential gas services will be rendered monthly. Bills for commercial and industrial service may be rendered weekly, semimonthly, or monthly, at the option of the City.

Both charges shall be collected as a unit; no City employee shall accept payment of gas service charges from any customer without receiving at the same time payment of all service charges owed by such customer. Gas service may be discontinued for non-payment of the combined bill.

Gas bills must be paid on or before the due date shown thereon; otherwise, a penalty of ten percent (10%) for each delinquent month shall be charged on each such bill. Failure to receive a bill will not release a customer from payment obligation, nor extend the discount date.

In the event a bill is not paid on or before five (5) days after the due date, a written notice shall be mailed to the customer. The notice shall advise the customer that his service may be discontinued without further notice if the bill is not paid in full on or before ten (10) days after the due date. The City shall not be liable for any damages resulting from discontinuing service under the provisions of this section, even though payment of the bill is made at any time on the day that service is actually discontinued.

Should the final date of payment of bill at the net rate fall on Sunday or a holiday, the next business day following the final date will be the last day to obtain the net rate. A net remittance received by mail after the time limit for payment at the net rate will be accepted by the City if the envelope is date-stamped on or before the final date for payment of the net amount.

If a meter fails to register properly, or if a meter is removed to be tested or repaired, or if gas is received other than through a meter, the City reserves the right to render an estimated bill based on the best information available.

#### **19-214. Discontinuance or Refusal of Service**

The municipality shall have the right to discontinue gas service or to refuse to connect service for a violation of, or a failure to comply with, any of the following:

- (1) These rules and regulations.
- (2) The customer's application for service.
- (3) The customer's contract for service.

Such right to discontinue service shall apply to all service received through a single connection or service, even if more than one (1) customer or tenant is furnished services

therefrom, and even if the delinquency or violation is limited to only one such customer or tenant.

Discontinuance of service by the City for any cause stated in these rules and regulations shall not release the customer from liability for service already received or from liability for payments that thereafter become due under other provisions of the customer's contract.

#### **19-215. Re-Connection Charges**

Whenever gas service has been discontinued as provided for above, a re-connection charge shall be collected by the City before service is restored.

#### **19-216. Termination of Service by Customer**

Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days written notice to that effect unless the contract specifies otherwise. Notice to discontinue service prior to the expiration of a contract term will not relieve the customer from any minimum or guaranteed payment under such contract or applicable rate schedule.

When service is being furnished to an occupant of premises under a contract not in the occupant's name, the City reserves the right to impose the following conditions on the right of the customer to discontinue service under such a contract:

- (1) Written notice of the customer's desire for such service to be discontinued may be required; and the City shall have the right to continue such service for a period of not to exceed ten (10) days after receipt of such written notice, during which time the customer shall be responsible for all charges for such service. If the City should continue service after such ten (10) day period subsequent to the receipt of the customer's written notice to discontinue service, the customer shall not be responsible for charges for any service furnished after the expiration of the ten (10) day period.
- (2) During the ten (10) day period, or thereafter, the occupant of premises to which service has been ordered discontinued by a customer other than such occupant, may be allowed by the City to enter into a contract for service in the occupant's own name upon the occupant's complying with these rules and regulations with respect to a new application for service.

#### **19-217. Access to Customers' Premises**

The City's identified representatives and employees shall be granted access to all customers' premises at all reasonable times for the purpose of reading meters, for testing, inspecting, repairing, removing, and replacing all equipment belonging to the City, and for inspecting customers' plumbing and premises generally in order to secure compliance with these rules and regulations.

#### **19-218. Inspections**

The City shall have the right, but shall not be obligated, to inspect any installation or plumbing system before gas service is furnished or at any later time. The City reserves the right to refuse service or to discontinue service to any premises not meeting standards fixed by City Ordinances regulating building and plumbing, or not in accordance with any special contract, these rules and regulations, or other requirements of the City.

Any failure to inspect or reject a customer's installation or plumbing system shall not render the City liable or responsible for any loss or damage which might have been avoided, had such inspection or rejection been made.

#### **19-219. Customer's Responsibility for System's Property**

Except as herein elsewhere expressly provided, all meters, service connections, and other equipment furnished by or for the City shall be and remain the property of the City. Each customer shall provide space for and exercise proper care to protect the property of the City on his premises. In the event of loss or damage to such property, arising from the neglect of a customer to care for same, the cost of necessary repairs or replacements shall be paid by the customer.

#### **19-220. Customer's Responsibility for Violations**

Where the City furnishes gas service to a customer, such customer shall be responsible for all violations of these rules and regulations which occur on the premises so served. Personal participation by the customer in any such violations shall not be necessary to impose such personal responsibility on him.

#### **19-221. Supply and Resale of Gas**

All gas shall be supplied within the City exclusively by the City and no customer shall, directly or indirectly, sell, sublet, assign, or otherwise dispose of the gas or any part thereof, except with written permission from the City.

#### **19-222. Unauthorized use of or Interference with Gas Supply**

No person shall turn on or turn off any of the City's gas valves, or remove locks without permission or authority from the City.

#### **19-223. Damages to Property due to Gas Pressure**

The City shall not be liable to any customer for damages caused to his gas plumbing or property by high pressure, low pressure, or fluctuations in pressure in the City's gas mains.

#### **19-224. Liability for Cutoff Failures**

The City's liability shall be limited to the forfeiture of the right to charge a customer for gas that is not used but is received from a service line under any of the following circumstances:

- (1) After receipt of at least ten (10) days' written notice to cut off gas service, the City has failed to cut off such service.

- (2) The City has attempted to cut off a service but such service has not been completely cut off.
- (3) The City has completely cut off a service, but subsequently, the cutoff develops a leak or is turned on again so that gas enters the customer's pipes from the City's main.

Except to the extent stated above, the City shall not be liable for any loss or damage resulting from cutoff failures. If a customer wishes to avoid possible damage for cutoff failures, the customer shall rely exclusively on privately owned cutoffs and not on the City's cutoff.

#### **19-225. Restricted Use of Gas**

In times of emergencies or in times of gas shortage, the City reserves the right to restrict the purposes for which gas may be used by a customer and the amount of gas which a customer may use.

#### **19-226. Interruption of Service**

The City will endeavor to furnish continuous gas service, but does not guarantee to the customer any fixed pressure or continuous service. The City shall not be liable for any damage for any interruption of service whatsoever.

In connection with the operation, maintenance, repair, and extension of the City gas systems, the gas supply may be shut off without notice when necessary or desirable and each customer must be prepared for such emergencies.

#### **19-227. Schedule of Rates**

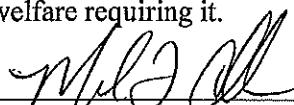
All gas service shall be furnished under such rate schedules as the City may from time to time adopt by appropriate ordinance or resolution.

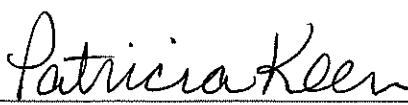
#### **19-228. Applicability of Chapter**

These rules and regulations shall apply to all customers receiving gas service from the City of Portland Gas Department.

**NOW THEREFORE BE IT ORDAINED**, By the Mayor and Board of Alderman that this Ordinance shall amend the Municipal Code with these additions to Title 19, by deleting and adding Chapter 2 titled Natural Gas; and

**BE IT FURTHER ORDAINED**, That this Ordinance shall become effective upon its passage, the public welfare requiring it.

  
\_\_\_\_\_  
Mike Callis, Mayor

  
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Patricia Keen, City Recorder

First Reading: September 14, 2020  
Second Reading: October 5, 2020