

RESOLUTION 8-2017

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, ADOPTING A RATE INCREASE FOR NATURAL GAS RATES

WHEREAS, the Code of the City of Benson requires that its natural gas rates generate sufficient revenue to equal the cost of providing utility services to its customers, and the natural gas rates currently in effect are being evaluated to determine if the current rates and rate structure are sufficient to satisfy the requirement of generating sufficient revenue to equal the cost of providing natural gas services;

WHEREAS, the City of Benson prepared a written report supplying data supporting the proposed natural gas rate modifications, said report being entitled the "City of Benson Natural Gas Utility 2017 Cost of Service Rate Study" dated February, 2017;

WHEREAS, the City adopted Resolution 4-2017 as a Notice of Intention to modify its natural gas utility rates and published in a newspaper of general circulation a notice of the hearing at which the proposed rate modification would be discussed; and

WHEREAS, on May 8, 2017, the Mayor and Council held a public hearing at which the proposed natural gas rates were discussed.

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL as follows:

1. Effective the first billing cycle after June 8, increasing the rates the City charges to provide natural gas to its customers as follows:

- a. Base Fee Within City Limits will increase to \$9.00 per month;
- b. Base Fee Outside City Limits will increase to \$11.00 per month;
- c. Monthly Fee per Therm of Natural Gas Consumed will increase to \$0.60 per Unit.

2. Beginning the first billing cycle after January 1 of each successive calendar year, increasing the rates the City charges to provide natural gas to its customers as follows:

- a. Increasing the 'base fee' as follows:

Natural Gas Charges	2018 Fee	2019 Fee	2020 Fee	2021 Fee
Base Fee within City Limits	\$9.90	\$10.89	\$11.98	\$13.18
Base Fee Outside City Limits	\$12.00	\$13.00	\$14.00	\$15.00

AND

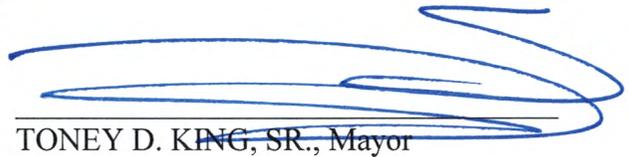
b. Increasing the monthly consumption fee per therm follows:

Natural Gas Charges	2018 Fee	2019 Fee	2020 Fee	2021 Fee
Rate per Therm	\$0.70	\$0.85	\$0.90	\$0.90

3. Beginning on the first billing cycle beginning after January 1st, 2022 and continuing every year thereafter, increasing the prior year's natural gas "base fees" and monthly consumption rate per therm by the CPI, where the "CPI" is an adjustment based on the year-to-year change to the Consumer Price Index for All Urban Consumers, West Region, as measured by the Bureau of Labor Statistics, or its successor measure.

BE IT FURTHER RESOLVED that the City's officers and staff are authorized to take all steps necessary and proper to implement the Agreement and carry out its intents and purposes.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, this 22nd day of May, 2017.



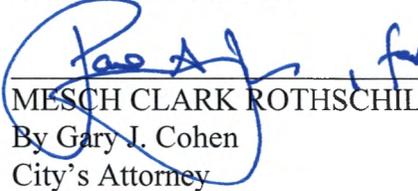
TONEY D. KING, SR., Mayor

ATTEST:



VICKI L. VIVIAN, CMC, City Clerk

APPROVED AS TO FORM:



MESCH CLARK ROTHSCHILD
By Gary J. Cohen
City's Attorney