

AN ORDINANCE RELATING TO THE ADJUSTMENT IN NATURAL GAS RATES CHARGED BY KN ENERGY, INC., A DIVISION OF KINDER MORGAN, INC. ("KNE"), TO CONFORM SUCH RATES TO THE STANDARDS OF THE NEBRASKA MUNICIPAL NATURAL GAS REGULATION ACT, TO REPEAL CONFLICTING ORDINANCES AND SECTIONS, AND TO PROVIDE AN EFFECTIVE DATE:

WHEREAS, a rate review has been initiated pursuant to the Municipal Natural Gas Regulation Act ("the MNGRA") by this municipality through the passage of a Resolution dated February 24, 1999;

WHEREAS, pursuant to the MNGRA, a rate hearing was conducted for Rate Area Seven (7) on December 10, 1999;

WHEREAS, the complete transcript of the proceedings along with Proposed Findings of Fact and Conclusions of Law prepared by counsel for the municipalities and KNE have been transmitted to this municipality by the Hearing Officer, Judge Samuel Van Pelt (Retired);

WHEREAS, the Village Board of this municipality has had an opportunity to review the complete transcript of the proceedings and Proposed Findings of Fact and Conclusions of Law prepared by counsel for the municipalities and KNE;

WHEREAS, the Village Board has previously adopted Findings of Fact and Conclusions of Law proposed by counsel for the municipalities, and;

WHEREAS, this municipality wishes to adopt a rate ordinance based on the Findings of Fact and Conclusions of Law previously adopted;

WHEREAS, the above-market costs associated with the P-0802 Contract currently recovered by KNE through the "P-0802 Surcharge" from all customers on KNE's distribution system in this municipality and throughout the rate areas served by KNE are not prudently incurred costs and therefore such above-market costs are not an authorized expense recoverable through a "rate" under the MNGRA and consequently KNE should be prohibited from including and seeking to recover such above-market costs, whether as part of the "P-0802 Surcharge," or through any other rate or charge, including without limitation, as part of a purchase gas adjustment schedule ("PGA").

BE IT ORDAINED BY THE CHAIRPERSON AND BOARD OF TRUSTEES OF THE VILLAGE OF ANSLEY, NEBRASKA:

SECTION 1. A new Section 10-303 is added to the Municipal Code of Ansley, Nebraska as follows:

KN Energy, Inc., a division of Kinder Morgan, Inc., ("KNE"), and any successor or assignee, is prohibited from including in its rates or charges the above-market costs associated with the P-0802 Contract currently recovered by KNE through the "P-0802 Surcharge" from customers on KNE's distribution system in this municipality and throughout the rate areas served by KNE, whether such costs are assessed as part of the "P-0802 Surcharge" or through any other rate or charge, including without limitation, as part of a purchase gas adjustment schedule ("PGA").

SECTION 2. Any other ordinance or section passed and approved prior to passage, approval, and publication of this ordinance and in conflict with its provisions is repealed.

SECTION 3. This ordinance shall take effect and be in full force from and after its passage, approval and publication as required by law. This ordinance shall apply on and after the effective date to any tariff of KNE in effect on such date or filed on or after such date.

Passed and approved this 7th day of February, 2000.



Janette C. Doane, Clerk


Larry D. Ferguson, Chairperson