

Gas Systems – 104.0 FTEs

## Department Objective

To be the energy provider of choice by fulfilling the natural and propane gas needs for residents and businesses in the Tampa Bay area. Furthering the City Council’s Strategic Direction of providing cost effective municipal services and infrastructure, with an emphasis on quality, Clearwater Gas System (CGS) is committed to provide safe, reliable and economical gas energy and related products at a level that exceeds customer expectations, while delivering a financial return to the City of Clearwater.

Clearwater Gas System has provided energy-efficient gas service to local residents and businesses since 1923. CGS is owned and operated as an enterprise utility by the City of Clearwater and operates over 890 miles of underground gas main; including supply and distribution of both natural and propane (LP) gas throughout northern Pinellas County and western Pasco County. CGS serves as a one-stop shop gas utility offering residential and commercial gas appliances, installation of customer gas piping, service and repair, construction and maintenance of underground gas mains/service lines, and a 24-hour emergency response guarantee. CGS is also regulated for safety by the Florida Public Service Commission and the Federal Department of Transportation.

Clearwater Gas System serves over 21,500 customers in a 330 square mile service territory, which includes twenty municipalities, as well as, unincorporated areas of Pinellas and Pasco counties.

Clearwater Gas System prides itself in being a competitive, public service-minded utility providing safe, economical and environmentally-friendly gas energy, which is made in America and available to local homes and businesses in our service area.

Clearwater Gas System’s budget consists of four gas programs: Gas Administration & Supply, Pinellas Gas Operations, Pasco Gas Operations, and Gas Marketing & Sales.

### **Summary of Services Provided**

#### **Administration and Supply**

Gas Administration & Supply provides overall general management and clerical support for the Clearwater Gas System (CGS); long range planning of gas supplies and securing and transporting these supplies of both natural and LP gas to our bulk transfer points; financial planning/budgeting and tracking; and storeroom/warehouse operations to insure the availability of adequate materials. Functions of this program include environmental, safety training, regulatory contact, legal/risk issues management and contracting and licensing control.

#### **Pinellas Gas Operations**

Pinellas Gas Operations is responsible for the delivery of natural and LP gas to Pinellas County residents and businesses. The construction, installation; service; maintenance; and cathodic protection of all gas mains and service lines and assuring compliance with Federal and Florida Public Service Commission and Florida State Natural Gas and LP regulations.

#### **Pasco Gas Operations**

Pasco Gas Operations is responsible for the delivery of natural and LP gas to Pasco County residents and businesses. The construction, installation; service; maintenance; and cathodic protection of all gas mains and service lines and assuring compliance with Federal and Florida Public Service Commission and Florida State Natural Gas and LP regulations.

#### **Gas Marketing and Sales**

Gas Marketing & Sales is responsible for planning, development and implementation of various marketing programs to build load and improve system profitability. This program is responsible for sales of natural and LP gas, appliances and piping installation to commercial and residential customers.

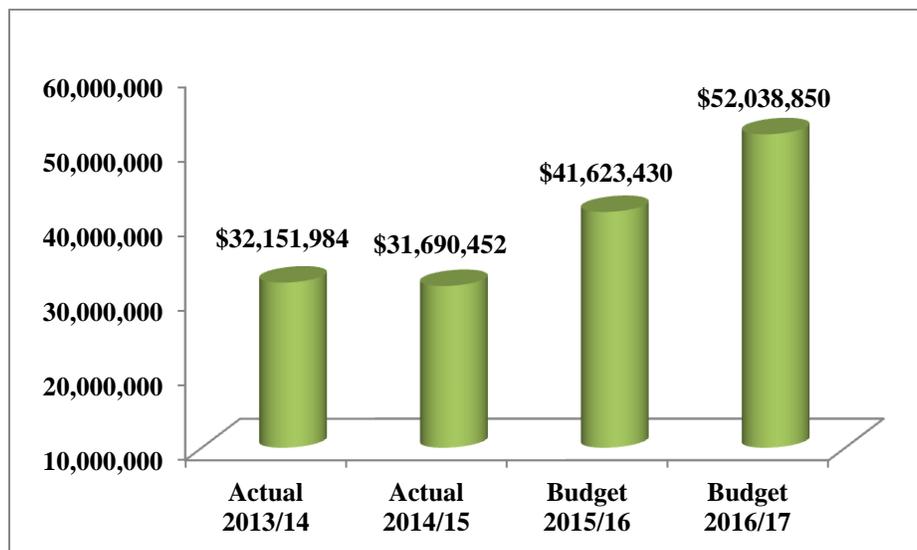
## Budget Summary

	Actual 2013/14	Actual 2014/15	Budget 2015/16	Budget 2016/17	% Change
Administration & Supply	22,392,348	21,613,159	23,893,060	22,051,990	-8%
Pinellas Gas Operations	4,798,397	4,846,582	7,561,590	7,694,220	2%
Pasco Gas Operations	1,905,204	1,996,588	3,636,840	4,941,400	36%
Marketing & Sales	3,056,035	3,234,123	6,531,940	17,351,240	166%
<b>Total Gas</b>	<b>32,151,984</b>	<b>31,690,452</b>	<b>41,623,430</b>	<b>52,038,850</b>	<b>25%</b>

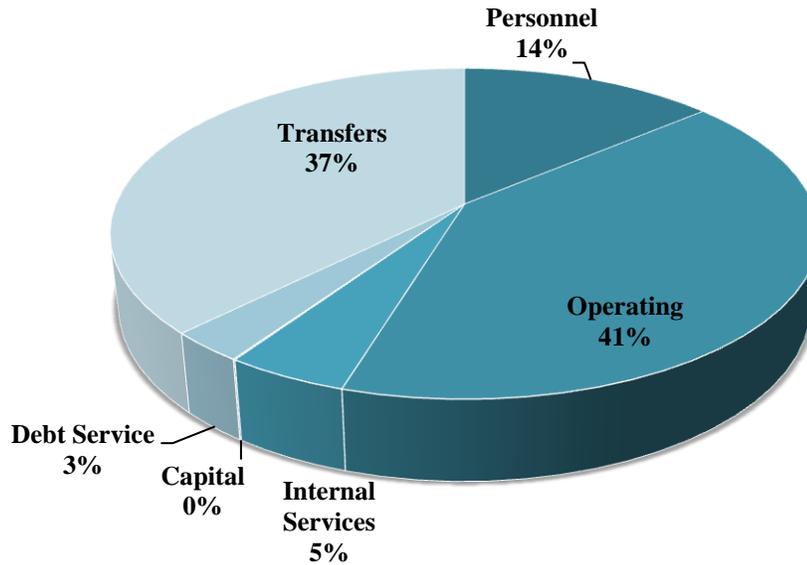
## Full Time Equivalent Positions

Administration & Supply	9.6	9.6	9.6	11.6	2.0
Pinellas Gas Operations	49.0	51.0	52.0	54.0	2.0
Pasco Gas Operations	16.0	17.0	21.0	29.0	8.0
Marketing & Sales	8.4	9.4	9.4	9.4	0.0
<b>Total Gas FTEs</b>	<b>83.0</b>	<b>87.0</b>	<b>92.0</b>	<b>104.0</b>	<b>12.0</b>

## Department Total Summary



**Fiscal Year 2016/17 Budget by Category**



Key Performance Indicator	FY 2013/14	FY 2014/15	FY 2015/16
<b><u>Miles of Gas Mains</u></b> <ul style="list-style-type: none"> <li>Pinellas County Mains</li> <li>Pasco County Mains</li> </ul> Total number of Gas Main miles, as of each fiscal year end.	699.24 161.36	714.13 169.98	723.37 184.44
<b><u>Gas Sales</u></b> <ul style="list-style-type: none"> <li>Natural Gas (therm)</li> <li>Liquid Propane (gallons)</li> </ul> Total equivalent therms sold (LP converted to therms)	23,133,851 361,285	24,284,658 369,563	23,714,259 365,752
<b><u>Natural Gas Vehicle (NGV) Station</u></b> <ul style="list-style-type: none"> <li>Total NGV Customers</li> <li>Compressed Natural Gas</li> </ul> Total annual count of NGV customers, and Gas Gallon Equivalent (GGE) sold.	50 140	76 241,867	80 303,398
<b><u>Clearwater Gas Customers</u></b> <ul style="list-style-type: none"> <li>Natural Gas Customers</li> <li>Liquid Propane Customers</li> </ul> Annual average number of customers connected.	18,744 1,975	19,368 1,908	20,106 1,867
<b><u>Retail Sales</u></b> <ul style="list-style-type: none"> <li>Appliance Sales</li> <li>Installation Sales</li> <li>Service &amp; Repair Sales</li> </ul> Total annual retail sales.	\$890,766 \$981,968 \$382,352	\$957,350 \$1,419,650 \$383,793	\$987,936 \$1,261,691 \$467,160

## Budget Highlights

- ◆ The Gas Fund supports the Gas Administration and Supply program. The Gas Fund is a self-supporting enterprise operation established to fund all operating, maintenance and improvements necessary to maintain the Clearwater Gas System.
- ◆ The Gas Department is supported by 104 full time equivalent positions, an increase of 12.0 FTEs from fiscal year 2015/16. Additional positions include an Assistant Director, Safety and Training Manager, Engineering and Planning Manager, Design and Mapping Technician, Gas Program Specialist, and seven Gas Technicians.
- ◆ Gas supply purchases in this fiscal year are budgeted at approximately \$12 million, representing 24% of the total Department operating budget. This is an 11 decrease from the 2015/16 budget.
- ◆ Operating expenditures reflect an administrative charge reimbursing the General Fund for the Gas Fund's portion of City administrative functions, such as the City Manager, Legal, and City Clerk functions. The Gas Fund anticipated portion of this cost is \$1,666,140 in fiscal year 2016/17, an increase of 4% over the 2015/16 budget.
- ◆ Internal Service costs reflect the reimbursement to Clearwater Customer Service operations for billing and customer service support services. This is budgeted at \$946,570 in fiscal year 2016/17, a 1% increase from the 2015/16 budget.
- ◆ Debt service cost, which include debt on outstanding bonds and new vehicle purchases, total \$1,552,340 for fiscal year 2016/17 budget which is a slight increase from 2015/16 budget.
- ◆ Interfund transfers include the estimated gas dividend to the General Fund of \$2.4 million, an 11% decrease from the 2015/16 budget. Transfers to the Capital Improvement Fund are budgeted at \$17,100,000 to support the capital projects of the Gas Fund; this is a 183% increase in funding from the 2015/16 budget.
- ◆ On October 7, 2011, the Gas Department opened up a natural gas vehicle station located at 1020 N. Hercules Avenue in Clearwater. The filling station is currently being used internally by vehicles in the Solid Waste/General Service Department and the Gas Department. Outside customers include Verizon, Inc. Waste Pro and the Jolley Trolley.
- ◆ There are no other significant changes in the Gas Department in this budget. The budget for this Department reflects an increase of 25% from the 2015/16 budget.

