

Mission

To serve the natural and propane (LP) gas needs of the customers in the Clearwater and surrounding Florida Suncoast area in the most safe, reliable and economical manner possible while optimizing load growth, customer satisfaction, financial return to the City of Clearwater, and the equity value of the Clearwater Gas System.

Department Description

Our Values

Clearwater Gas System is founded on the principles of integrity, outstanding quality, future-oriented decision-making, and sound financial planning and execution. This reflects our responsibility to be a well-run and caring service provider, focused on excellence in the delivery of "value-added" energy services to our customers. We regard our well-trained employees as our most valuable asset and strive to create a positive and participative working environment, which promotes job satisfaction, security, personal growth, and innovation.

Our Vision

Clearwater Gas System will be the energy provider of choice, and be recognized as such by our customers and the communities that we serve.

The Clearwater Gas System (CGS) budget consists of four (4) gas programs: Gas Administration & Supply, South Area Gas Operations, North Area Gas Operations, and Gas Marketing & Sales. There are currently 90 budgeted positions (full time equivalent) in CGS.

CGS is owned and operated as an enterprise utility by the City of Clearwater. CGS operates over 785 miles of underground gas main and handles the supply and distribution of both natural and propane (LP) gas throughout northern Pinellas County and western Pasco County. As a "full service" gas utility, CGS provides gas appliance sales and service, installation of inside customer gas piping, domestic and commercial gas equipment service, construction and maintenance of underground gas mains and service lines, and 24 hour response to any gas emergency call within the service area. The Florida Public Service Commission and the Federal Department of Transportation regulate CGS for safety.

CGS has been serving customers in the Clearwater area for over 80 years (since 1923) when operations began with a manufactured gas plant operation from coal and coke. In 1959, when natural gas transmission lines were finally extended to peninsular Florida, CGS discontinued the manufacturing of gas and began receiving piped natural gas from Florida Gas Transmission.

Clearwater Gas System serves over 19,000 customers in a 330 square mile service territory, which includes 18 municipalities, as well as, unincorporated areas of Pinellas and Pasco counties. The Pinellas County service territory is 158 square miles and extends generally from Ulmerton and Walsingham Roads on the south to the Pasco County line on the north, and from the Gulf of Mexico on the west to the Hillsborough County line on the east. This includes the entire Pinellas beach communities south to Redington Beach. The Pasco County service territory is 172 square miles. It extends from the Gulf of Mexico on the west of I-75 in Land O' Lakes, to just west of I-75 along the right of way of Ehren Cut Off and from Pinellas and Hillsborough County lines on the south to generally State Road 52 on the north. The CGS service territory extends 42.3 miles from the southwestern most to the northwestern most point.

Clearwater Gas System prides itself in being a competitive, public service-minded utility providing safe, economical and environmentally-friendly gas, which is made in America, available in our communities for all of the homes and businesses in our service area, with special focus on the residential customers who make up over 88% of our customer base.

GAS SYSTEM

DEPARTMENT SUMMARY					
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08	% Change
Administration & Supply	25,333,250	28,300,653	33,941,960	30,599,180	-10%
South Area Operations	3,458,640	3,579,710	5,633,390	6,124,250	9%
North Area Operations	2,097,046	2,358,613	6,193,950	6,258,200	1%
Marketing & Sales	2,316,720	2,497,817	2,843,890	2,914,840	2%
Total Gas System	33,205,656	36,736,793	48,613,190	45,896,470	-6%

DEPARTMENT FULL TIME EQUIVALENT POSITIONS				
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08
Administration & Supply	9.0	10.0	10.0	8.7
South Area Gas Operations	44.0	43.0	44.0	44.0
North Area Gas Operations	26.0	27.0	27.0	28.0
Gas Marketing and Sales	11.0	10.0	9.0	9.3
Total Gas System	90.0	90.0	90.0	90.0

ADMINISTRATION & SUPPLY

Program Description

Gas Administration & Supply responsibilities include: 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 and tracking; and storeroom operations to insure the availability of adequate operating, construction and sales materials. Functions of this program include budgeting, payroll, computer systems, facilities/equipment control, environmental, safety training, regulatory contact, legal/risk issues management, contracting and licensing control, purchasing, inventory of all gas parts and fittings, accounting, financial statements and accounts payable.

PROGRAM SUMMARY					
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08	% Change
Personnel	580,380	639,958	651,880	631,610	-3%
Operating	21,188,546	24,217,111	28,696,960	24,910,680	-13%
Internal Services	908,123	932,148	990,160	1,008,260	2%
Debt Service	1,214,812	1,190,294	2,047,400	1,990,050	-3%
Transfers	1,441,389	1,321,142	1,555,560	2,058,580	32%
Total Administration & Supply	25,333,250	28,300,653	33,941,960	30,599,180	-10%

PROGRAM FULL TIME EQUIVALENT POSITIONS				
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08
Administration & Supply	9.0	10.0	10.0	8.7
Total Administration & Supply	9.0	10.0	10.0	8.7

Program 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 Administration and Supply program is supported by 8.7 full time equivalent (FTE) positions, a decrease of 1.3 positions from last year. Some portions of several positions have been reallocated among Gas programs to meet area needs. The total FTE positions for the entire Gas Fund remain at ninety (90) however, the same as the previous year's budget.
- ❖ The largest budgeted expense in this program is the cost of inventory purchases of natural gas for resale in the operating category. Inventory purchases in this fiscal year are approximately \$18.9 million, representing 62% of this program's total budget. This budgeted expenditure is down 16% from the previous year's approved budget due to the decreased cost of fuel, and is the primary reason Operating expenditures decrease 13% in this budget.
- ❖ Operating expenditures include a major portion of the 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 \$1,277,140 in this fiscal year, an increase of 3% over the previous year. Like last year's budget, this charge includes an amount of \$325,000 over the Gas plan recommended charge. The Administration & Supply portion of this charge is \$1,170,840, a 3% increase over last year.
- ❖ Internal Service costs in this operation include a major portion of the reimbursement to Clearwater Customer Service operations for billing and customer service support services. This reimbursement totals \$854,330 for all Gas operations, an increase of 6% over the previous year's budget. The Administration & Supply portion of this charge is \$790,830.
- ❖ Debt service costs estimated at \$1,990,050 in this program represent debt on outstanding bonds of the Gas Fund.
- ❖ Interfund Transfers of \$2,058,580 for the 2007/08 budget includes the gas dividend to the General Fund of \$1.9 million, and \$150,000 to the Capital Improvement Program to support gas system financed projects. The dividend transfer increases 36%, or \$539,610, over the previous year's transfer. A portion of the increased transfer, \$223,830, will fund a contribution to the Gas Main Extension project. The Administration & Supply portion of the increase is \$503,020. The capital project funding represents the same level of funding as the approved 2006/07 budget.
- ❖ The most significant change in the Gas Administration & Supply program in this fiscal year is the 16% decrease in the price of fuel for resale and is the primary reason that expenditures in this program are 10% lower than in the 2006/07 approved budget.

SOUTH AREA GAS OPERATIONS

Program Description

South Area Gas Operations is responsible for the delivery of natural and LP gas to the end users in Pinellas County; the construction of all gas mains and service lines; the design and engineering of all gas mains and services; the securing of construction permits and attending construction meetings for gas mains and services; the maintenance of all gas main and service lines and setting of all LP tanks and services; system cathodic protection; repairing gas meters and regulators; and assuring compliance with Federal and Florida Public Service Commission and Florida State Natural Gas and LP regulations. Gas Service & Repair is responsible for all commercial and domestic gas service requests including turn-ons and turn-offs of gas meters; high bill inquiries; interior gas leak location and repair; and the service and repair of residential and commercial customer-owned gas appliances. Gas installation is responsible for the installation of customer-owned house piping and appliances; conversion of customer-owned commercial and residential appliances from alternate fuels to natural gas; and the securing of necessary gas permits to install house piping and appliances.

PROGRAM SUMMARY					
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08	% Change
Personnel	2,262,763	2,404,673	2,554,550	2,633,100	3%
Operating	734,469	689,216	679,380	971,710	43%
Internal Services	461,408	474,561	494,110	536,930	9%
Capital	-	-	5,350	5,350	0%
Transfers	-	11,260	1,900,000	1,977,160	4%
Total South Area Operations	3,458,640	3,579,710	5,633,390	6,124,250	9%

PROGRAM FULL TIME EQUIVALENT POSITIONS				
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08
South Area Gas Operations	44.0	43.0	44.0	44.0
Total South Area Gas Operations	44.0	43.0	44.0	44.0

SOUTH AREA GAS OPERATIONS

Program Highlights

- ❖ The Gas Fund supports the South Area Gas Operations 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 South Area Gas Operations program is supported by 44 full time equivalent (FTE) positions, the same as the previous year's approved budget. Personnel costs increase 3% over last year.
- ❖ Operating costs increase 43% in South Area Operations due to a 60% increase in the cost of property and casualty insurance on Gas properties and a 55% increase in the purchase of fuel for resale. Fuel purchases in this program are higher than last year, however, across all Gas programs fuel costs are lower than last year.
- ❖ Budgeted transfers of \$1,977,160 for the 2007/08 budget increase 4% over the previous year's budget and include two items: South Area Operations' portion of the gas dividend transfer to the General Fund and transfers to the Capital Improvement Program to support gas system financed projects. The capital project transfers fund projects primarily for line relocations and new gas mains and lines in Pinellas County.
- ❖ There have been no other significant changes in the South Area Gas Operations program in this fiscal year. The 2007/08 budget for this program reflects an increase of 9% over the previous year's budget.

NORTH AREA GAS OPERATIONS

Program Description

North Area Gas Operations is responsible for the delivery of natural and LP gas to the end users in Pasco County and is responsible for the construction of all gas mains and service lines; the design and engineering of all gas mains and services; the securing of construction permits and attending construction meetings for gas mains and services; the maintenance of all gas main and service lines and setting of all LP tanks and services; system cathodic protection; repairing gas meters and regulators; and assuring compliance with Federal and Florida Public Service Commission and Florida State Natural Gas and LP regulations. Gas Service & Repair is responsible for all commercial and domestic gas service requests including turn-ons and turn-offs of gas meters; high bill inquiries; interior gas leak location and repair; and the service and repair of residential and commercial customer-owned gas appliances. Gas Installation is responsible for the installation of customer-owned house piping and appliances; conversion of customer-owned commercial and residential appliances from alternate fuels to natural gas; and the securing of necessary gas permits to install house piping and appliances.

PROGRAM SUMMARY					
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08	% Change
Personnel	1,226,466	1,379,582	1,544,390	1,654,580	7%
Operating	591,866	655,237	642,690	491,860	-23%
Internal Services	278,714	323,794	406,870	391,760	-4%
Transfers	-	-	3,600,000	3,720,000	3%
Total North Area Gas Operations	2,097,046	2,358,613	6,193,950	6,258,200	1%

PROGRAM FULL TIME EQUIVALENT POSITIONS				
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08
North Area Gas Operations	26.0	27.0	27.0	28.0
Total North Area Gas Operations	26.0	27.0	27.0	28.0

NORTH AREA GAS OPERATIONS

Program Highlights

- ❖ The Gas Fund supports the North Area Gas Operations 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 North Area Gas Operations program is supported by 28 full time equivalent (FTE) positions, an increase of one position over the previous year's approved budget. The allocation of several portions of current positions change in this budget to meet specific needs of each gas program. The North Area program experiences an increase, however, across the Gas System the total FTE positions remains at ninety FTEs (90), the same as the previous year's budget.
- ❖ Other Operating costs decrease 23% in this program in this budget. Property and casualty insurance on North Area assets are budgeted to increase 28% but are more than offset by a 46% decrease in the budget for fuel purchased for resale.
- ❖ Budgeted transfers of \$3,720,000 for the 2007/08 budget reflects funding for the Capital Improvement Program to support gas system financed projects that are primarily for new gas mains and lines in Pasco County. This is a 3% increase over the 2006/07 approved budget.
- ❖ The 2007/08 budget for this program reflects an increase of 1% over the previous year's budget.

Program Description

Gas Marketing & Sales is responsible for planning, development and implementation of marketing programs to build load and improve system profitability; designing new systems to make the gas system more effective and responsive to customer needs; advertising strategy to improve the marketing of sales programs; building better governmental relations; measurement of customer satisfaction levels and the design of programs to increase service levels to meet customer expectations; and the applications engineering and sale of large commercial and industrial end-use projects to build load and improve load factor. This program is responsible for sales of natural and LP gas to commercial and residential customers; the sale of natural and LP commercial and industrial gas appliances; the estimating of natural and LP gas house piping installations; deposit collection, appliance invoicing and contract billing; administration of gas sales programs and follow-up advertising programs. The Sales Representatives assist customers in the selection of gas appliances in the showroom, at the customers' premises and at area sales and trade shows.

PROGRAM SUMMARY					
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08	% Change
Personnel	790,159	766,113	753,180	790,860	5%
Operating	1,367,481	1,500,425	1,651,190	1,713,170	4%
Internal Services	144,480	152,479	157,270	174,130	11%
Transfers	14,600	78,800	282,250	236,680	-16%
Total Gas Marketing & Sales	2,316,720	2,497,817	2,843,890	2,914,840	2%

PROGRAM FULL TIME EQUIVALENT POSITIONS				
	Actual 2004/05	Actual 2005/06	Budget 2006/07	Budget 2007/08
Gas Marketing & Sales	11.0	10.0	9.0	9.3
Total Gas Marketing & Sales	11.0	10.0	9.0	9.3

Program Highlights

- ❖ The Gas Marketing and Sales program is supported by 9.3 full time equivalent (FTE) positions, an increase of three tenths of a position. This internal transfer of employee hours within the Gas System results in the total FTE positions for the entire Gas Fund remaining at ninety, the same as the previous year's approved budget. Personnel cost increase 5% for the Marketing and Sales program over the 2006/07 budget.
- ❖ Over 75% of this program's costs are focused in three (3) areas: personnel and sales commissions represent 27% of this budget, advertising and promotional activities are 25% of program costs, and inventory purchases for resale represent 23% of budgeted program expenditures.
- ❖ Internal Service costs increase 11% in this program due to the reallocation of some costs within the Gas System. Across all Gas programs Internal Service costs increase only 3%.
- ❖ Budgeted transfers of \$236,680 for the 2007/08 budget year include two items: Gas Marketing & Sales' portion of the gas dividend transfer to the General Fund and transfers to the Capital Improvement Program to support gas system financed projects. The capital project funding of \$125,000 represents a 38% decrease from the approved 2006/07 budget to fund capital projects for this program and results in transfer costs that are 16% lower than the 2006/07 budget.
- ❖ There have been no other significant changes in the Gas Marketing & Sales program in this fiscal year. The 2007/08 budget for this office reflects a 2% increase over the previous year's budget.