

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 gas programs: Gas Administration & Supply, Pinellas Gas Operations, Pasco Gas Operations, and Gas Marketing & Sales. There are currently 84 budgeted positions (full time equivalent) in CGS.

CGS is owned and operated as an enterprise utility by the City of Clearwater. CGS operates over 820 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 19,500 customers in a 330 square mile service territory, which includes eighteen municipalities, as well as, unincorporated areas of Pinellas and Pasco counties. The Pinellas County service territory is 158 square miles and extends generally from Ulmert 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 form 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.

DEPARTMENT SUMMARY

	Actual 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09	% Change
Administration & Supply	28,300,653	26,169,555	30,599,180	28,582,640	-7%
Pinellas Gas Operations	3,579,710	3,635,373	6,124,250	4,152,730	-32%
Pasco Gas Operations	2,358,613	2,352,308	6,258,200	3,142,090	-50%
Marketing & Sales	2,497,817	2,561,742	2,914,840	2,657,040	-9%
Total Gas System	36,736,793	34,718,978	45,896,470	38,534,500	-16%

DEPARTMENT FULL TIME EQUIVALENT POSITIONS

	Actual 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09
Administration & Supply	10.0	10.0	8.7	9.7
Pinellas Gas Operations	43.0	44.0	44.0	41.0
Pasco Gas Operations	27.0	27.0	28.0	23.0
Gas Marketing and Sales	10.0	9.0	9.3	10.3
Total Gas System	90.0	90.0	90.0	84.0

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 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09	% Change
Personnel	639,958	635,925	631,610	702,520	11%
Operating	24,217,111	20,446,255	24,910,680	23,806,590	-4%
Internal Services	932,148	985,144	1,008,260	1,015,810	1%
Capital	-	17,886	-	-	n/a
Debt Service	1,190,294	1,605,262	1,990,050	1,575,150	-21%
Transfers	1,321,142	2,479,083	2,058,580	1,482,570	-28%
Total Administration & Supply	28,300,653	26,169,555	30,599,180	28,582,640	-7%

PROGRAM FULL TIME EQUIVALENT POSITIONS				
	Actual 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09
Administration & Supply	10.0	10.0	8.7	9.7
Total Administration & Supply	10.0	10.0	8.7	9.7

ADMINISTRATION & SUPPLY

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 9.7 full time equivalent positions, an increase of one position over the 2007/08 budget. This budget reflects the transfer of one Gas Specialist position from the Pasco Gas Program. Some portions of several positions have been reallocated among Gas programs to meet area needs. The total FTE positions for the entire Gas Fund have decreased six positions from 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 \$17.7 million, representing 62% of this program's total budget. This budgeted expenditure is down 6% from the previous year's approved budget, and is the primary reason Operating expenditures decrease 4% 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 \$1,315,230 in this fiscal year, an increase of 3% over the previous year. The Administration & Supply portion of this charge is \$1,218,690, a 4% 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 \$843,900 for all Gas operations, a decrease of 1% from the 2007/08 budget. The Administration & Supply portion of this charge is \$809,040.
- ❖ Debt service costs estimated at \$1,575,150 in this program represent debt on outstanding bonds of the Gas Fund.
- ❖ Interfund Transfers of \$1,482,570 decrease 22% for the 2008/09 budget and include the gas dividend to the General Fund of \$1.9 million. A portion of the transfer, \$200,000, will fund a contribution to the Gas Main Extension project. There is no capital funding included in this budget. Those two changes account for the 28% decrease in Transfers for the 2008/09 budget.
- ❖ The most significant change in the Gas Administration & Supply program in this fiscal year is the 6% decrease in the price of fuel for resale and is the primary reason that expenditures in this program are 7% lower than in the 2007/08 budget.

PINELLAS GAS OPERATIONS

Program Description

Pinellas 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 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09	% Change
Personnel	2,404,673	2,527,263	2,633,100	2,543,620	-3%
Operating	689,216	583,779	971,710	724,000	-25%
Internal Services	474,561	452,006	536,930	622,710	16%
Capital	-	37,785	5,350	-	-100%
Transfers	11,260	34,540	1,977,160	262,400	-87%
Total Pinellas Gas Operations	3,579,710	3,635,373	6,124,250	4,152,730	-32%

PROGRAM FULL TIME EQUIVALENT POSITIONS				
	Actual 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09
Pinellas Gas Operations	43.0	44.0	44.0	41.0
Total Pinellas Gas Operations	43.0	44.0	44.0	41.0

PINELLAS GAS OPERATIONS

Program Highlights

- ❖ The Gas Fund supports the Pinellas 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 Pinellas Gas Operations program is supported by 41 full time equivalent positions, a decrease of three positions from the 2007/08 budget. A Gas Technician I and another Gas Technician II, as well as a Warehouse Clerk have all been eliminated from this budget. In addition, one Gas Technician position and one Gas Program Coordinator position have transferred into this program from the Pasco Gas Operations program, and one Gas Technician II and one Warehouse Supervisor position have transferred to the Pasco Gas Operations program. All of these changes are due to the closure of the Pasco Gas Operation Office, as well as an effort towards cost reduction.
- ❖ Operating costs decrease 25% in Pinellas Gas Operations, primarily due to a 41% or \$230,350 decrease in the purchase of materials for resale. Across all Gas System programs the purchase of materials for resale decreases 19% from the 2007/08 budget.
- ❖ Internal Services costs increased 16% in this program primarily due to increased costs for garage services.
- ❖ Budgeted transfers of \$262,400 for the 2008/09 budget decrease 87% from the 2007/08 budget. This includes the Pinellas Operations portion of the gas dividend transfer to the General Fund for \$52,400 and \$210,000 for 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. Transfers decrease 87% in this budget due to decreased contributions to the capital improvement projects. This decrease is due to the economic downturn in the construction industry.
- ❖ There have been no other significant changes in the Pinellas Gas Operations program in this fiscal year. The 2008/09 budget for this program reflects a decrease of 32% from the 2007/08 budget.

PASCO GAS OPERATIONS

Program Description

Pasco 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 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09	% Change
Personnel	1,379,582	1,514,162	1,654,580	1,336,380	-19%
Operating	655,237	552,594	491,860	338,890	-31%
Internal Services	323,794	285,552	391,760	346,820	-11%
Transfers	-	-	3,720,000	1,120,000	-70%
Total Pasco Gas Operations	2,358,613	2,352,308	6,258,200	3,142,090	-50%

PROGRAM FULL TIME EQUIVALENT POSITIONS				
	Actual 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09
Pasco Gas Operations	27.0	27.0	28.0	23.0
Total Pasco Gas Operations	27.0	27.0	28.0	23.0

Program Highlights

- ❖ The Gas Fund supports the Pasco 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.
- ❖ During fiscal year 2008, the Pasco Gas Operations office located in Pasco County was closed because it was no longer financially feasible to operate. This budget reflects the closure of that office.
- ❖ The Pasco Gas Operations program is supported by twenty-three full time equivalent positions, a decrease of five positions from the 2007/08 budget. Two Gas Specialist positions, and one Warehouse Clerk position have been eliminated. One Program Coordinator position, one Gas Specialist position and one Gas Technician II position have all been transferred to the Pinellas Gas Operations program. One Gas Technician I position has been transferred to the Marketing & Sales program. One Warehouse Supervisor position and one Gas Technician position have been transferred from the Pinellas Gas Operations program. All of these changes net to a decrease of five positions in the Pasco Gas Operations program and are a direct result of the closure of the Pasco Gas Office. The closure of the Pasco Gas Office has eliminated a total of six positions across all Gas System programs.
- ❖ Other Operating costs decrease 31% in this program. Although most line items have decreased in Other Operating, the most significant decrease is a \$87,550 decrease in taxes. With the Pasco Office closed this is no longer a cost and is not included in this budget.
- ❖ Budgeted transfers of \$1,120,000 for the 2008/09 budget reflect 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 70% decrease from the 2007/08 budget.
- ❖ The most significant change in this program for the 2008/09 budget is the closure of the Pasco Gas Office, which explains the 50% decrease from the previous year's budget.

GAS MARKETING & SALES

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 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09	% Change
Personnel	766,113	807,299	790,860	836,880	6%
Operating	1,500,425	1,449,177	1,713,170	1,501,190	-12%
Internal Services	152,479	163,236	174,130	128,940	-26%
Transfers	78,800	142,030	236,680	190,030	-20%
Total Gas Marketing & Sales	2,497,817	2,561,742	2,914,840	2,657,040	-9%

PROGRAM FULL TIME EQUIVALENT POSITIONS				
	Actual 2005/06	Actual 2006/07	Budget 2007/08	Budget 2008/09
Gas Marketing & Sales	10.0	9.0	9.3	10.3
Total Gas Marketing & Sales	10.0	9.0	9.3	10.3

Program Highlights

- ❖ The Gas Marketing and Sales program is supported by 10.3 full time equivalent positions, an increase of one position. A Gas Technician 1 position has been transferred from the Pasco Gas Operations program. Due to this change, personnel costs increase 6% for the Marketing and Sales program over the 2007/08 budget.
- ❖ Over 75% of this program's costs are focused in three areas: personnel and sales commissions represent 31% of this budget, advertising and promotional activities are 21% of program costs, and inventory purchases for resale represent 25% of budgeted program expenditures.
- ❖ Internal Service costs decrease 26% in this program primarily due to a 75%, or \$29,210 decrease in the administrative service charge, as well as a 68% decrease in telephone service costs.
- ❖ Budgeted transfers of \$190,030 in this program for the 2008/09 budget include \$65,030 for the portion of the gas dividend transfer to the General Fund, a decrease of 42% from the 2007/08 budget. Also included is a transfer to the Capital Improvement Program of \$125,000, the same level as the 2007/08 budget, and is to fund capital projects for this program.
- ❖ There have been no other significant changes in the Gas Marketing & Sales program in this budget. The 2008/09 budget for this program reflects a 9% decrease from the 2007/08 budget.