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November 1, 1994

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Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 E. Gaines Street
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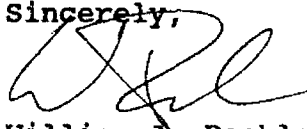
Re: Petition of Peoples Gas System, Inc. to
resolve territorial dispute with Clearwater
Gas System, a Division of the City of Clearwater
Docket No. 94-0660-GU

Dear Ms. Bayo:

Enclosed for filing are an original and fifteen (15) copies of
the Testimony of Charles S. Warrington, Jr., filed on behalf of
Clearwater Gas System in the above-referenced docket.

✓ Thank you for your assistance in this matter.

Sincerely,


William J. Peebles

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DOCUMENT NUMBER-DATE

11101 NOV-1 94

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and 15 copies of the foregoing **Testimony of Charles S. Warrington, Jr.** have been furnished by hand-delivery to Blanca S. Bayo, Director, Records and Reporting, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0854; and a true and correct copy furnished by hand-delivery to Martha Brown, Legal Services, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0854; and by U.S. Mail to Ansley Watson, Jr., Esq., MacFarlane Ausley Ferguson & McMullen, Post Office Box 1531, Tampa, Florida 33601-1531, this 5 day of ~~November~~, 1994.


WILLIAM J. PEEBLES

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to resolve territorial)
dispute with Clearwater Gas System,)
a Division of the City of Clearwater,)
by Peoples Gas System, Inc.)
_____)

Docket No. 94-0660-GU

TESTIMONY OF CHARLES S. WARRINGTON, JR.
ON BEHALF OF CLEARWATER GAS SYSTEM

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**TESTIMONY OF CHARLES S. WARRINGTON, JR.
ON BEHALF OF CLEARWATER GAS SYSTEM**

1 Q. Please state your name and business address.

2 A. My names is Charles S. Warrington, Jr. My business
3 address is 400 N. Myrtle Avenue, Clearwater, Florida.
4 34615.

5

6 Q. By whom are your employed?

7 A. I am employed by the City of Clearwater, Florida
8 ("Clearwater") as Managing Director & Executive Officer
9 of the Clearwater Gas System ("CGS"). CGS is a
10 municipally-owned natural and propane gas local
11 distribution company, owned and operated by the City of
12 Clearwater since 1923.

13

14 Q. How long have you been employed by Clearwater?

15 A. I have been employed by Clearwater for approximately 2-
16 1/2 years in the capacity of Managing Director &
17 Executive Officer.

18

19 Q. Describe your previous employment.

20 A. Prior to joining the City of Clearwater on February 3,
21 1992, I served as Director of Customer Services for
22 Florida Power & Light Company ("FPL"), the largest
23 electric utility in the State of Florida. I was

1 responsible for corporate-wide customer services,
2 policies, procedures, systems, training and regulatory
3 interface. Prior to this position, I had served as a
4 District General Manager for two of the largest FPL
5 Districts (Miami and Coral Gables). In total, I had 20
6 years with FPL, holding a number of positions of
7 increasing responsibility and gaining a great deal of
8 public utility experience.

9

10 Q. What are your educational and professional
11 qualifications?

12 A. I received a Bachelor of Electrical Engineering Degree
13 from the Georgia Institute of Technology in 1971, and I
14 am a 1982 graduate of the University of Michigan Public
15 Utility Executive Program. I have been a registered
16 Professional Engineer in the State of Florida since
17 1976. I currently serve on the Board of Directors of
18 the Florida Natural Gas Association, serve on the Board
19 of Directors and as Secretary of the Municipal Gas
20 Authority of Florida, serve on the Board of Directors
21 and as Vice President of the Florida Municipal Natural
22 Gas Association, and serve on the Board of Directors and
23 as Vice President of the Florida Engineering Society -
24 Pinellas Chapter.

1 Q. What are your responsibilities as Managing Director &
2 Executive Officer of CGS?

3 A. I serve as Executive Officer of CGS and am responsible
4 to the City Manager for the overall management and
5 direction of CGS. This includes all aspects of
6 responsibility for planning, public relations, marketing
7 and sales, distribution and maintenance operations,
8 service and repair, housepiping installations, propane
9 operations, and gas supply and administration.

10

11 Q. Describe the Clearwater Gas System.

12 A. The CGS began operations in the mid-1920s with the
13 production, distribution and sale of manufactured gas.
14 The system was converted to natural gas in 1959 when
15 Florida Gas Transmission Company ("FGT") extended
16 pipelines into Florida. We currently serve 12,035
17 customers and have installed nearly 500 miles of gas
18 main throughout northern Pinellas County. We also
19 provide propane ("LP") service in areas where natural
20 gas mains have not yet been extended. In addition to
21 serving the City of Clearwater, CGS has franchise
22 agreements and/or has extended facilities into ten (10)
23 other cities in northern Pinellas County as well as the
24 unincorporated areas between these cities. This

1 includes the cities of Belleair, Belleair Beach,
2 Belleair Bluffs, Belleair Shores, Dunedin, Indian Rocks,
3 Largo, Oldsmar, Safety Harbor and Tarpon Springs.
4 According to the most recent surveys conducted by
5 Pipeline & Gas Journal, CGS ranks as the third largest
6 (of 28) municipally-operated natural gas system in
7 Florida, the 39th largest (of approximately 950)
8 municipal system in the United States, and overall the
9 199th largest gas system in the United States (including
10 all of the investor-owned systems). The CGS is a full
11 service natural and propane gas utility, providing
12 appliance sales and installation, housepiping, and
13 service and repair in addition to all other aspects of
14 providing metered gas service to our residential,
15 commercial and industrial customers.

16

17 Q. Describe CGS's existing service area and customer base.

18 A. The current service area of CGS is approximately 135
19 square miles located throughout northern Pinellas
20 County. The current service area is generally bounded
21 by Ulmerton and Walsingham Roads on the south, the Gulf
22 of Mexico on the west, the Pasco/Pinellas County line on
23 the north, and the Hillsborough/Pinellas County line and
24 Tampa Bay on the east. Exhibit ___ (CSW-1) depicts

1 CGS's existing northern Pinellas County service area.
2 The CGS customers have grown in the past five years from
3 10,490 in September 1989 to 12,035 in September 1994, a
4 15% growth rate. This rate has been accelerating
5 rapidly in the last few years, with 744 customers
6 connected during fiscal year 1993-1994, over a 6% annual
7 growth rate. Within CGS's northern Pinellas County
8 service area, CGS provides service to 9,914 residential
9 customers; 1,945 commercial/industrial firm service
10 customers; 11 interruptible customers; and 165 propane
11 customers. Also, as of September 1994, CGS had
12 installed 491.29 miles of natural gas main (39.29 miles
13 in just the past two years) and for the fiscal year
14 1993-1994, ending in September 1994, had annual sales of
15 15.5 million therms resulting in gas sales of \$12.1
16 million. In addition to these gas sales, other gas-
17 related revenues for the year amounted to \$1.2 million.

18

19 Q. Describe CGS's service capabilities.

20 A. As stated earlier, the CGS is a full service natural and
21 propane gas distribution company with 82 full-time
22 employees as of September 1994. In addition, CGS
23 employs an average of 35 construction contract employees
24 on an on-going basis as well as utilizing the City of

1 Clearwater Utility Customer Service and Billing
2 personnel to handle telephone inquiries and render
3 bills, and a number of other City service personnel such
4 as Fleet Maintenance, Finance, Legal, etc. Since
5 Clearwater also operates water, waste water, and solid
6 waste utilities as well as a number of other enterprise
7 activities, we are able to provide our customers with a
8 highly trained and efficient customer service staff.
9 The CGS also provides 24-hour dispatch service for
10 emergency operations of the gas system as well as the
11 other utility operations of the City and maintains call-
12 out personnel who are available to respond to the
13 customer at any hour of the day and night. In total,
14 the combining of CGS personnel with the resources of the
15 City of Clearwater allows us to provide an even greater
16 level of service responsiveness than that which might
17 normally be typical of other gas systems of similar
18 size.

19

- 20 Q. Describe the genesis of CGS's plans for future growth.
21 A. Between 1987 and 1990, Clearwater's City Commission
22 performed a thorough review and analysis of the
23 operation of CGS. This review included solicitation of
24 Request for Proposals from companies interested in

1 purchasing the System. After carefully analyzing CGS,
2 its operations, and all bids received in response to the
3 Request for Proposals, the City Commission declined all
4 offers, including an offer by Peoples Gas to purchase
5 the System for \$14.1 million. Clearwater determined
6 instead to strengthen the utility management and
7 organization within the City and pursue a strategic
8 expansion plan. That effort culminated in my hiring and
9 the formulation of a document entitled "1993-2000
10 Strategic Plan and the 1993-94 Annual Operating and
11 Capital Budget". That Strategic Plan is attached as
12 Exhibit ____ (CSW-2) to my testimony. This Plan was
13 presented to the Clearwater City Commission and
14 unanimously approved by the Commission on August 10,
15 1993.

16

17 Q. Describe briefly the Clearwater Gas System Strategic
18 Plan.

19 A. The Strategic Plan anticipates growth in two distinct
20 geographic areas, northern Pinellas County and western
21 Pasco County, as well as an expanded new gas markets
22 program for both Pinellas and Pasco Counties which will
23 include the introduction of natural gas vehicles and gas
24 air conditioning. Strategies #1 and #2 of the Strategic

1 Plan recommend an acceleration of the CGS growth in
2 northern Pinellas County in order to provide service to
3 an additional 5,300 customers by the year 2000. It is
4 estimated that this will require a capital investment of
5 \$12.4 million and the addition of over 100 miles of gas
6 main within northern Pinellas County during the seven
7 year expansion period. In order to finance this, an
8 \$8.11 million Gas System Revenue Bond Series 1994A was
9 issued in September 1994 to fund this expansion effort
10 as well as the new gas markets program for the first
11 three years. Strategy #3 proposes to construct 91.6
12 miles of natural gas main within western Pasco County to
13 serve approximately 1,900 customers by the year 2000.
14 It was projected that this capital construction project
15 would require approximately \$10 million of investment.
16 The attached Exhibit ____ (CSW-3) depicts the
17 approximately 50 mile trunk main project which would be
18 installed within approximately two years of the Florida
19 Public Service Commission's approval to proceed with
20 this project.

21

22 Q. What efforts have you taken to implement this Strategic
23 Plan since its approval by the City Commission?

24 A. On September 1, 1994, we sought and obtained approval on

1 second reading by the City Commission to file for bond
2 validation for an additional \$26.75 million of Gas
3 System Revenue Bonding, which would include the Pasco
4 County expansion portion. This bond validation
5 proceeding is scheduled before the Pinellas Circuit
6 Court for November 1, 1994. Additionally, we are
7 continuing to work on finalizing our intergovernmental
8 and franchise agreements with the cities of Port Richey
9 and New Port Richey as well as Pasco County. We also
10 have done all the preliminary engineering work for the
11 initial construction segments on U.S. Highway 19, State
12 Road 54 and State Road 52, and we have submitted and
13 obtained Florida Department of Transportation permits
14 for the first section to be built on U.S. Highway 19
15 from the Pasco/Pinellas County Line to State Road 54.
16 We also have negotiated a joint project agreement with
17 the Florida Department of Transportation for
18 installation of gas mains during an upcoming
19 construction project on State Road 52 which is scheduled
20 to begin in early 1995. We have also had extensive
21 discussions and are finalizing our plans with the City
22 of Port Richey which is in the process of reconstructing
23 a number of their roadways in the next few months and
24 has asked us to work with them to install gas mains

1 during the construction project. We are currently
 2 preparing customer surveys to determine the feasibility
 3 for accomplishing this; however, it is critical that
 4 this be accomplished in a timely manner so that the gas
 5 mains may be installed during the roadway construction
 6 project which is scheduled to begin in early 1995.

7

8 Q. Please explain the difference in CGS's and Peoples'
 9 projections of customers in the disputed area.

10 A. In order to display the differences in the projected
 11 customers more clearly, please reference the following
 12 table:

	<u>NUMBER OF PROJECTED CUSTOMERS</u>		
<u>Customer Type</u>	<u>Clearwater</u>	<u>Peoples</u>	<u>Difference</u>
Commercial	389	336	+53
Industrial	1	2	(1)
Residential-Existing	<u>500</u>	<u>0</u>	<u>+500</u>
Subtotal-Existing	890	338	+552
Residential-New	<u>400</u>	<u>1,192</u>	<u>(792)</u>
Total Projected	1,290	1,530	(240)

21 Peoples projected 336 commercial and two (2) industrial
 22 customers as compared to Clearwater's projection of 389
 23 commercial and one (1) industrial customer. While it is
 24 unclear how Peoples arrived at their projections,
 25 Clearwater did an extensive door-to-door potential

1 customer survey along the entire main trunk line route.
2 Clearwater's higher commercial customer numbers seem to
3 arise predominantly from our plans to serve both U.S.
4 Highway 19 and Seven Springs Boulevard between the
5 Pinellas/Pasco county line and State Road 54, our plans
6 to serve the more commercially populated State Road 52
7 east of U.S. Highway 19 as opposed to the rural Hudson
8 Road route selected by Peoples, and our inclusion of 160
9 potential commercial customers off of the main trunk
10 line route in existing commercial neighborhoods. While
11 Clearwater recognized that there are two (2) potential
12 industrial customers on State Road 54 near the Pasco
13 County Air Park, we conservatively only projected
14 serving one (2) of these as we understand that the other
15 potential industrial customer is currently burning very
16 low cost reprocessed oil which is priced below our
17 natural gas supply cost. As for the residential
18 customers, Clearwater very conservatively projected
19 serving 900, with only about 400 in new subdivisions and
20 the other 500 in existing residential neighborhoods.
21 Peoples has indicated that their projection of 1,192
22 residential customers is all based on projected new
23 subdivisions as they have indicated that they do not
24 plan to serve existing residential neighborhoods. Be

1 assured that, if the residential subdivisions are built,
 2 Clearwater would be at least as aggressive as Peoples in
 3 serving them. Therefore, Clearwater actually projected
 4 serving 890 total existing customers in Pasco, whereas
 5 Peoples only projected 338. Peoples' projections are
 6 driven by high estimates of new subdivision construction
 7 which either company would naturally commit to serve.

8

9 Q. Explain the difference in the CGS's and Peoples'
 10 projected cost of serving the disputed area.

11 A. In order to analyze the difference in Clearwater and
 12 Peoples' projected construction costs, please reference
 13 the following table:

14	<u>NUMBER OF PROJECTED MILES OF MAIN</u>			
15	<u>Type of Main Projected</u>	<u>Clearwater</u>	<u>Peoples</u>	<u>Difference</u>
16	Main Trunk Line	47.6	43.0	+4.6
17	Existing Neighborhood Main	<u>37.0</u>	<u>-0-</u>	<u>+37.0</u>
18	Subtotal in Existing Areas	84.6	43.0	+51.6
19	New Subdivision Main	<u>7.0</u>	<u>21.5</u>	<u>(14.5)</u>
20	Total Miles of Main	91.6	64.5	+27.1

21 Clearwater's \$10.0 million construction cost estimate
 22 exceeds Peoples' \$6,431,000 estimate by 55% due to 4.6
 23 miles more of main trunk line and an estimated 37.0
 24 miles of main line extension into existing commercial
 25 and existing residential neighborhoods. Even though

1 Peoples projected 14.5 miles more of new subdivision
2 main (which Clearwater would also install if its became
3 a reality), Clearwater projected 27.1 more total miles
4 of main line. This represents a 97% greater commitment
5 by Clearwater to serve western Pasco County's existing
6 neighborhoods, and a 42% greater overall construction
7 program based on miles of main.

8

9 Q. What arrangements with Florida Gas Transmission have
10 been made?

11 A. FGT is constructing a new gas pipeline along the west
12 coast of Florida called FGT Phase III which will
13 increase the supplies of gas available in the area. The
14 CGS entered into Phase III Transportation Agreements in
15 1992 for an additional 1,781 MMBtus per day to be
16 delivered during the summer and 1,348 MMBtus per day to
17 be delivered during the winter. Phase III is projected
18 to be in service in early 1995. This contract will
19 provide adequate entitlements to enable CGS to serve the
20 Pasco County area as well as the additional growth in
21 northern Pinellas County during the next few years. In
22 order to receive this service, CGS negotiated a Gate
23 Station Agreement with FGT to connect to the Phase III
24 line on State Road 52, approximately eight miles east of

1 U.S. Highway 19 near the proposed Serenova Development.
2 This gate station request was filed by FGT with the
3 Federal Energy Regulatory Commission; however, as a
4 result of a formal Peoples Gas System objection to this
5 gate station construction, this was recently stayed
6 pending the outcome of the FPSC territorial dispute.

7

8 Q. How does the Pasco County expansion fit into the overall
9 Clearwater Gas System?

10 A. CGS currently has three service points in northern
11 Pinellas County. Our last expansion northward into
12 Oldsmar and Tarpon Springs is north of our current gate
13 stations. The addition of a gate station service point
14 in Pasco County at State Road 52 will strengthen the
15 northern end of Pinellas County by providing a service
16 from the north as well as provide a looped service
17 system for increased reliability for Pasco County with
18 service along two main corridors out of Pinellas County
19 as well as two major corridors within Pasco County. We
20 believe that this is a critically important aspect of
21 the Florida Public Service Commission's consideration in
22 this territorial dispute. The CGS provides adjacent
23 service to the western Pasco area with two existing
24 corridors out of Pinellas County as well as the new

1 service point in Pasco County in order to provide a
2 secure and reliable level of service for all the
3 customers in both Pasco and Pinellas Counties.

4

5 Q. Describe Clearwater's ability to provide service to the
6 proposed customers in Pasco.

7 A. Clearwater has proposed to expand all of its services
8 into the Pasco area including the construction of a
9 customer service and operations center facility and
10 appliance showroom as well as providing construction,
11 service, and installation personnel necessary to serve
12 the Pasco customers. CGS has committed to the cities of
13 New Port Richey and Port Richey as well as to Pasco
14 County to aggressively market service to the residential
15 customers in existing subdivisions along the main trunk
16 corridor and to utilize a seven year pay back
17 feasibility formula in order to maximize the extension
18 into the existing residential neighborhoods. This is a
19 normal part of Clearwater's growth strategy as we are
20 currently adding approximately 400 customers a year in
21 existing neighborhoods in northern Pinellas County by
22 aggressively marketing our services.

23

24 Q. Describe Clearwater's rates and rate structure.

1 A. The Clearwater City Commission has established a
2 schedule of rates and charges by ordinance which
3 includes a purchase gas cost adjustment provision
4 allowing the City to pass through to its customer any
5 increase or decrease in the purchased price of gas. We
6 currently have a very simplified rate structure with two
7 basic rate schedules:

8	<u>Rate Schedule</u>	<u>Current Rates</u>
9	General (Firm) Service	\$1.00 Month/Account Charge
10		\$3.00 Month/First 3 therms
11		80¢ for each additional therm
12	Interruptible Service	\$1.00 Month/Account Charge
13		58¢ per therm

14 Additionally, in 1993 the Clearwater City Commission
15 approved a Discount Rate provision allowing CGS to flex
16 its rates downward in order to meet the competition of
17 other energy sources. The Clearwater City Commission
18 has also authorized a new rate study in order to
19 modernize our rate structure. This is currently in
20 process with Coopers & Lybrand and should be ready for
21 implementation in the second quarter of 1995. The CGS's
22 current residential rate is approximately 20% lower than
23 Peoples Gas at the 25 average therms per month level.
24 The small general service customers of CGS also enjoy a

1 lower rate than Peoples Gas. Due to the current
2 simplified rate structure, higher levels of service to
3 commercial customers are currently somewhat higher on
4 CGS than Peoples Gas; however, it should be pointed out
5 that it is Clearwater's philosophy to broadly serve the
6 neighborhoods, which increases the overall costs which
7 are inherent in rate making. This still produces rates
8 which are typically considerably lower than competing
9 propane and electric for all classes of customers.

10

11 Q. Please explain the 3.5¢ per therm surcharge which is
12 levied on some CGS customers.

13 A. This is a surcharge which was imposed by the Clearwater
14 City Commission on all natural gas sales in "all areas
15 north of State Road 580 and all areas east of McMullen-
16 Booth Road served by gas mains or connections made after
17 October 1, 1983" when we issued gas revenue bonds to
18 expand service into northern Pinellas County. The
19 purpose of this surcharge was to help offset the impact
20 of the debt carrying costs on the existing customer
21 base. The ordinance further specifies that this
22 surcharge is applicable "unless such a surcharge is
23 prevented by a franchise agreement with the city." We
24 have expressly excluded the surcharge application in

1 Pasco County by including language in the proposed Pasco
2 County, Port Richey and New Port Richey franchises,
3 insuring that the same rates would apply as those in the
4 City of Clearwater. Additionally, the preliminary
5 recommendation of the rate study in process by Coopers
6 & Lybrand is to drop the surcharge in favor of level
7 system-wide rates.

8

9 Q. Please explain the CGS policy regarding the conversion
10 of LP customers to natural gas, how that policy differs
11 from Peoples', and why the CGS policy better serves the
12 public interest.

13 A. CGS regards LP (propane gas) service as a transitional
14 service until natural gas becomes available in the area.
15 As a result, CGS installs the permanent metered service
16 on LP accounts and renders the customer bills based on
17 the amount of gas used monthly as opposed to bulk
18 delivery billing. When natural gas becomes available,
19 it is only a matter of removing the LP tank and
20 converting the customer's burners. This is a vastly
21 different policy than that of Peoples as it is
22 Clearwater's policy to expand natural gas aggressively
23 into existing neighborhoods to give the customer the
24 advantage of more economical and environmentally

1 friendly natural gas. Peoples' representatives have
2 repeatedly told the Pasco community that existing
3 neighborhoods will have to continue to be served by LP
4 gas as it is not economical for them to expand into
5 already developed areas. What this means is that the
6 customers are held captive to higher, unregulated LP
7 pricing. Peoples has reported that they have already
8 installed 1,500 or more LP services in western Pasco
9 County and are growing at a rate of 500 LP customers per
10 year. We are not surprised that Peoples is unwilling to
11 expand natural gas service to serve their existing LP
12 customers as they would then have to abandon their LP
13 capital investment with a resulting loss of overall
14 corporate revenue. It should be noted that the Peoples
15 Gas' St. Petersburg Division reports adding less than
16 300 natural gas residential customers in the last year
17 while adding 500 LP customers in western Pasco County
18 alone.

19

20 Q. What sets CGS apart from Peoples?

21 A. It is our commitment to broadly serve the residential
22 neighborhoods through an aggressive marketing program.
23 This is the current way that we do business in northern
24 Pinellas County and we have made commitments to the

1 cities of Port Richey and New Port Richey, as well as
2 Pasco County, to aggressively pursue construction into
3 existing neighborhoods of Pasco similar to Pinellas
4 County. Peoples Gas has on numerous occasions stated to
5 Pasco County, the City of Port Richey and the west Pasco
6 Allied Council that they intend to serve only the main
7 highways and "new" residential subdivisions. The CGS's
8 initial projection of customers in Pasco County was
9 based on a door-to-door survey of the commercial
10 customers along the main corridors as well as a very
11 conservative estimate of the subdivision construction
12 projected over the next few years. We have repeatedly
13 assured Pasco County that we would aggressively build
14 into any new subdivisions, if they are in fact built, as
15 well as expand into the existing neighborhoods. Peoples
16 Gas provided a later version of a plan which projects a
17 higher number of residential customers as a result of a
18 higher projection of subdivision growth over the next
19 few years. Of course, if this growth materializes, CGS
20 would also aggressively build into these subdivisions as
21 well, resulting in an even greater level of service to
22 the residential customers in Pasco County.
23 Additionally, CGS has pledged to work with the cities
24 and County as roadways are constructed and reconstructed

1 to install facilities during these projects in order to
2 grow with the County and avoid future disruption of the
3 roadways. Again, this is a normal "public works-minded"
4 philosophy of construction for CGS. On the contrary,
5 People's Gas has indicated that they have no interest in
6 building in the roadways of Port Richey and have not
7 indicated that they normally build in parallel with
8 roadway construction but rather base their growth on
9 their own feasibility studies to meet their schedule.
10 In summary, CGS offers the citizens of Pasco the
11 benefits of natural gas service combined with a public
12 works-minded utility perspective designed to grow with
13 the County and maximize service to the existing
14 customers.

15

16 Q. What do you consider to be the disputed area in this
17 document?

18 A. In my opinion, the area in dispute between Peoples and
19 CGS can generally be described as that portion of
20 western Pasco County bordered on the west by the Gulf of
21 Mexico, on the south by State Road 54, on the east by
22 U.S. Highway 41 (including any services which would
23 extend off of U.S. Highway 41), and on the north by the
24 Pasco/Hernando County line. This definition differs

1 somewhat from that defined by Rich Firebaugh in his pre-
2 filed testimony in the following areas:

- 3 • Southern Boundary - We do not believe that there
4 is any question that CGS should be allowed to
5 serve up to State Road 54 in southwestern Pasco
6 County. The Peoples Gas map showed the southern
7 extent of their expansion plans down to State Road
8 54, whereas CGS is immediately adjacent to this
9 area. Our plan includes this area, and it only
10 makes good sense to allow construction as soon as
11 possible into this area of the County.
- 12 • Eastern Boundary - We believe that the more
13 logical consideration for the eastern boundary of
14 the territory is somewhere between U.S. Highway 41
15 and I-75, and we would propose that CGS be granted
16 the right to install facilities on U.S. Highway
17 41, including the serving of any loads which
18 logically will be served off of that main line.
19 Peoples Gas should be allowed then to service
20 loads east of and along I-75.
- 21 • Northern Boundary - Though neither CGS nor Peoples
22 showed current plans for service north of State
23 Road 52 or Hudson Road, respectively, it is felt
24 that the most logical expansion of facilities in

1 this area is off of U.S. Highway 19, as this is
2 the main growth corridor. We do not believe that
3 it is a prudent investment by Peoples Gas to
4 extend 8 miles of gas main down Hudson, which is a
5 very rural and undeveloped country road, in order
6 to get to U.S. Highway 19. We would propose that
7 the FPSC allow CGS to extend facilities northward
8 up U.S. Highway 19 to the Hernando/Pasco County
9 line as those subdivisions and commercial loads
10 develop over the next few years.

11 In general, we believe that CGS is in a much better
12 position to serve all of western Pasco County through
13 its existing facilities which are adjacent to the south
14 and extending up through the gate station service on
15 State Road 52 in northern Pasco County. We do not
16 believe that it makes sense for Peoples Gas to initiate
17 a new Division with a single point of service in western
18 Pasco County.

19

20 Q. Please summarize CGS's key issues regarding service to
21 western Pasco County.

22 A. We believe that CGS is in a much stronger position to
23 serve this area from a reliability of service standpoint
24 by integrating this service into that which already

1 exists adjacent to the area in northern Pinellas County.
2 We also believe that it is critical that CGS be allowed
3 to build a gate station at State Road 52 in order to
4 take service off the new FGT Phase III pipeline and to
5 strengthen our service grid for our customers in
6 northern Pinellas County. We also believe that it is
7 important to the citizens of Pasco County to be served
8 by a company which is committed to serving the existing
9 neighborhoods as well as the new growth areas. This is
10 difficult from a feasibility standpoint and requires a
11 concerted effort on the part of the utility. The CGS is
12 committed to this effort and our public works-minded
13 project construction techniques will facilitate our
14 building of mains in concert with the roadway
15 construction plans in western Pasco County. Finally,
16 the CGS has the manpower and the expertise to accomplish
17 this construction project -- the trunk main line
18 facilities within the next two years and the extensions
19 off that main line over the following three years - and
20 has the bonding capacity to commit the resources to
21 accomplish this project and serve all loads that are
22 feasible. We believe that this will result in many more
23 customers being afforded the opportunity to be served by
24 clean, efficient and economical natural gas during the

1 next decade than the plan proposed by Peoples Gas
2 System.
3

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and 15 copies of the foregoing **Testimony of Charles S. Warrington, Jr.** have been furnished by hand-delivery to Blanca S. Bayo, Director, Records and Reporting, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0854; and a true and correct copy furnished by hand-delivery to Martha Brown, Legal Services, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0854; and by U.S. Mail to Ansley Watson, Jr., Esq., MacFarlane Ausley Ferguson & McMullen, Post Office Box 1531, Tampa, Florida 33601-1531, this 5th day of November, 1994.


WILLIAM J. PEEBLES

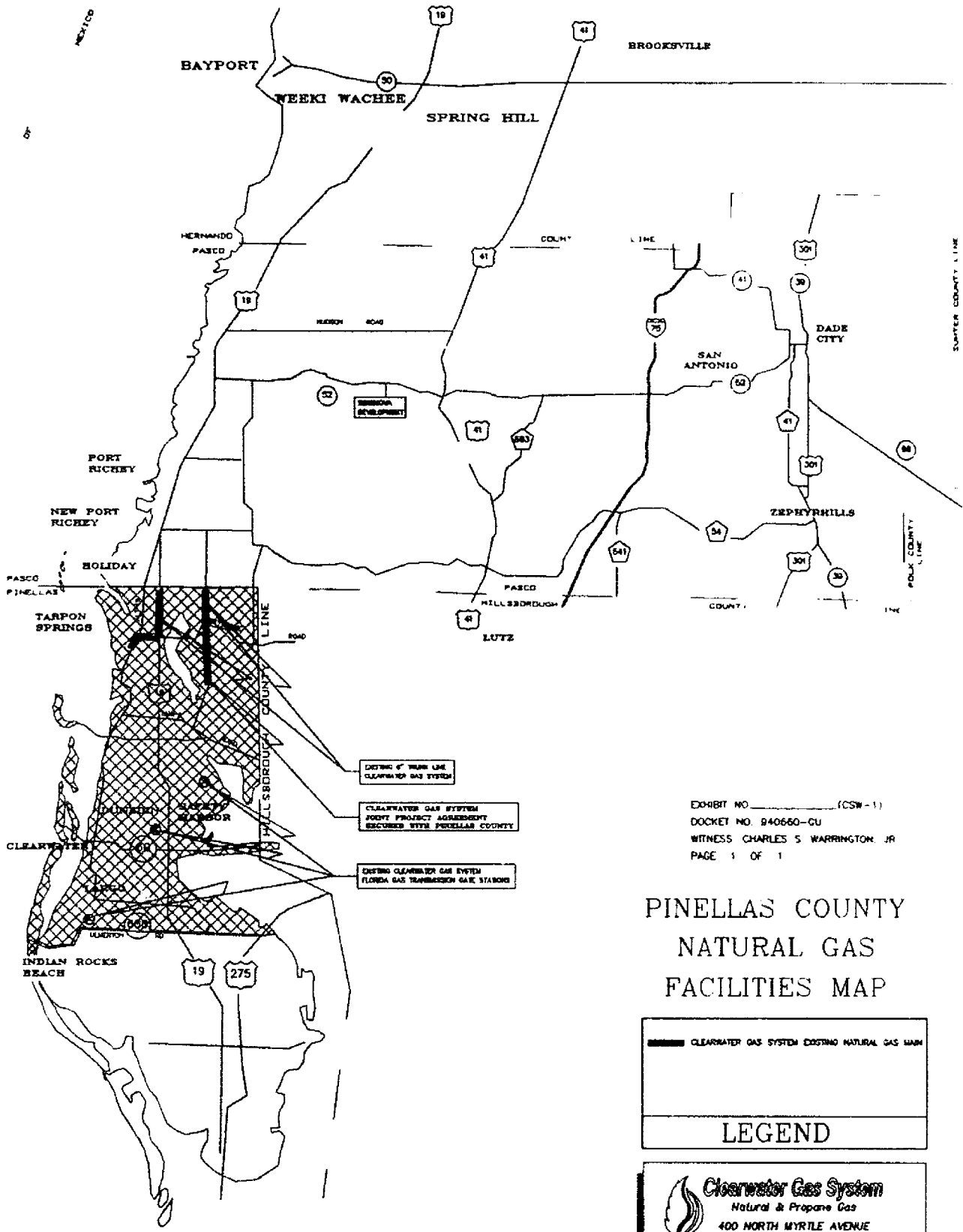


EXHIBIT NO. _____ (CSW-1)
 DOCKET NO. 940660-CU
 WITNESS CHARLES S. WARRINGTON, JR.
 PAGE 1 OF 1

PINELLAS COUNTY NATURAL GAS FACILITIES MAP

CLEARWATER GAS SYSTEM EXISTING NATURAL GAS MAIN
LEGEND

Clearwater Gas System
 Natural & Propane Gas
 400 NORTH MYRTLE AVENUE
 CLEARWATER, FLORIDA 34615
 TEL (813) 462-6630 FAX 462-6636



Clearwater Gas System

1993 - 2000

STRATEGIC PLAN

&

1993 - 1994 ANNUAL OPERATING

AND CAPITAL BUDGET

Our Mission

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

TABLE OF CONTENTS

Page

Press Release

CGS Plans for Future Growth *iii*

Strategic Plan

Executive Summary 1
Business Scope and Ownership 2
History 2
Market Area and Growth Potential 2
Our Mission 3
Key Result Areas 4
Our Vision 5
Key Customers/Commitment Areas 6
Environmental Scan 7
Business Climate 8
CGS Strengths 10
CGS Weaknesses/Threats 11
Strategic Opportunities 12
Key Approval Issues for the City Commission 13

Program Budget & Goals

Departmental Summary 14
Administration & Supply Program 19
Dispatch Program 23
Distribution Program 26
Service Program 31
Sales Program 35
Pasco Expansion Program 38
Marketing & Planning Program 42

Income/Revenues/Customers

Projected Income Statement 46
Projected Financials for FY 92/93 47
Summary of Income to the City 48
Projected Strategic Revenues 49
Natural Gas Sales Projections 51
LP Sales Projections 52
Projected Strategic Customer Growth 53

TABLE OF CONTENTS - Continued

	Page
Capital Improvements	
Strategic Bonding Requirements . . . . .	.54
Pasco County Expansion Plan . . . . .	.55
Capital Improvement Programs . . . . .	.57
Organization/Staffing	
Organization Chart . . . . .	.63
Staffing Summary for FY 93/94 . . . . .	.64
Additional Employees Required by FY 99/00 . . . . .	.65
Appendix	
Summary of Strategies . . . . .	.66
Ten Largest Gas Customers . . . . .	.70
Summary of Interruptible Accounts . . . . .	.71
June, 1993 Financial Statement . . . . .	.72
Program Budget Detail	
◦Administration & Supply Program . . . . .	.74
◦Dispatch Program . . . . .	.76
◦Distribution Program . . . . .	.78
◦Service Program . . . . .	.81
◦Sales Program . . . . .	.83
◦Pasco Expansion Program . . . . .	.85
◦Marketing & Planning Program . . . . .	.87
CGS Revenue Budget . . . . .	.89
Accounting Treatment . . . . .	.90
CGS Overview Data . . . . .	.91
Overview of CGS . . . . .	.92



CITY OF CLEARWATER

POST OFFICE BOX 4748
CLEARWATER, FLORIDA 34618-4748

Public Information Office

NEWS NEWS NEWS NEWS NEWS NEWS NEWS

IMMEDIATE RELEASE: July 20, 1993 - 11:00 AM

For more information: Clearwater Gas System
Chuck Warrington, Managing Director
813-462-6630

CLEARWATER GAS SYSTEM PLANS FOR FUTURE GROWTH

The Clearwater Gas System has released to the Clearwater City Commission an aggressive strategic plan which proposes to extend underground natural gas service pipelines into west Pasco County as well as nearly double the rate of growth of gas service in north Pinellas County. The city commission is scheduled to review this proposal at its budget hearing on Aug. 10, 1993.

The Clearwater gas system is a municipally owned, full-service natural and propane (LP) gas utility. It currently serves all of North Pinellas County from Ulmerton Road to the Pasco County line.

It began service in this area in 1923 and has grown to 11,700 customers today. The last major expansion was completed in 1987 and extended the gas service pipelines north from Curlew Road to Tarpon Springs and west into Oldsmar.

A gas service pipeline was also just completed on the beach extending service from Sand Key south through the cities of Belleair Beach, Belleair Shores and Indian Rocks Beach.

The gas system is currently adding about 450 new customers per year and has built 472 miles of underground gas main in the service area. The expansion plan proposes to increase the rate of growth to 930 new customers per year by building 46 miles of new lines in the next year in North Pinellas County and into West Pasco County as far north as New Port Richey.

Chuck Warrington, Managing Director and Executive Officer of the Clearwater Gas System, said, "We are excited at the prospect of



Equal Employment and Affirmative Action Employer

During 1994, the Clearwater Gas System plans to begin conversion of city vehicles, install a public natural gas filling station and assist local companies with fleets of vehicles to convert them from gasoline and diesel to natural gas. Florida Power Corp. and Neighborly Senior Services are already operating some vehicles on natural gas.

Additionally, gas air conditioning technology is now available and economical for office and other commercial buildings. Excellent residential gas air conditioning equipment is expected to become commercially available in 1994. This plan will enable the Clearwater Gas System to offer these services to customers in North Pinellas and West Pasco counties.

Warrington said, "This is an exciting time for the natural and propane gas industries as gas technology is improving rapidly. The prices are right and there are at least two new transmission pipelines scheduled to be built into West Florida which will make additional quantities of natural gas available for our customers.

"We look forward to aggressively expanding our services, improving our quality, and satisfying our customer's energy needs as we build together toward the 21st century", Warrington said.



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Chuck Warrington, Managing Director and Executive Officer of the Clearwater Gas System, said, "We are excited at the prospect of



offering additional customers the opportunity of being served with economical, environmentally clean, natural and LP gas - America's fuels of choice. We also are looking forward to providing an increased level of service to our customers." The seven-year strategic plan proposes to add nearly 7,300 new customers and bury 230 miles of new pipeline by the year 2000.

City Manager Michael Wright, in his 1993-94 annual budget proposal to the city commission said, "I am recommending the City Commission take a bold step toward improving the long term profitability of the gas system."

He emphasized to the commission that the plan would nearly triple the income to the city from \$1.2 million this year to \$3.3 million by the year 2000. The Gas System's contribution to the city's budget offsets ad valorem taxes. It is one of the factors that has allowed the City to hold the ad valorem tax rate constant for the past two years.

In fiscal year 1993/94 the Clearwater Gas System has budgeted to provide nearly \$2.1 million of contributions to the city's general fund. This is an increase of almost \$900,000 from the current fiscal year and offsets 0.5637 mills, or about 11% of the proposed City of Clearwater ad valorem tax rate of 5.1158 mills. That means that a citizen in Clearwater, with a home assessed at \$75,000 and homestead exemption, saves nearly \$30 per year as a result of the city's ownership of the gas system.

The Clearwater Gas System's plan proposes a new \$12 million bond issue to fund the expansion over the next two years and nearly \$25 million in total bonding requirements by the year 2000. This compares to the current growth rate, which would have required only about \$11 million in capital construction expenses over this same seven-year period. The strategic plan accelerates capital requirements by about \$14 million over the next seven years.

The plan also would require 24 additional personnel and an increase in annual operating expenses of about \$1.5 million per year (net of fuel costs) in order to support this expansion and provide an increased level of service to the customers of North Pinellas and West Pasco counties.

The payback to the City of Clearwater would be a projected increase in the gas system's contributions to the general fund of \$2.1 million above current levels by the year 2000.

The Gas System's plan also provides funding for beginning a Natural Gas Vehicle Program in the service area in support of the 1992 National Energy Policy Act and the 1990 Federal Clean Air Act. Both the President and the Governor have taken aggressive action to convert the federal and state vehicle fleets over to this economical, clean-burning and domestically secure energy source.

During 1994, the Clearwater Gas System plans to begin conversion of city vehicles, install a public natural gas filling station and assist local companies with fleets of vehicles to convert them from gasoline and diesel to natural gas. Florida Power Corp. and Neighborly Senior Services are already operating some vehicles on natural gas.

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EXECUTIVE SUMMARY

The Clearwater Gas System is well positioned for growth, both within our northern Pinellas County existing territory and northward expanding into western Pasco County. Increasing natural gas supply into West Florida, enhancements in natural gas technology, and governmental environmental regulations are all external forces which will support this growth opportunity.

We have analyzed our current situation, focused our mission and vision, studied the business climate including our strengths and weaknesses and developed four (4) very aggressive strategic opportunities that we recommend simultaneously implementing as our road map toward the year 2000. We are requesting the City of Clearwater Commission's support in adopting these as follows:

Strategy #1: Continue the Existing Level of Gas Service Operations in Pinellas County (Base Plan)

This will allow us to continue our current growth rate which will add 2,800 new customers by the year 2000.

Strategy #2: Accelerate Existing Gas Services in Pinellas County

This will allow us to add 2,500 additional customers by the year 2000 and provide a level of services and installation work commensurate with our customers' demand.

Strategy #3: Expand Existing Gas Services into Pasco County

This will allow us to add 1,900 additional customers by the year 2000.

Strategy #4: Develop New Gas Markets for Pinellas and Pasco Counties

This will allow us to expand our services into new market opportunities like Natural Gas Vehicles and Gas Air Conditioning.

The bottom line from the City's perspective is to allow the Clearwater Gas System to grow by 60% to approximately 19,000 customers and expand the annual dividend to the City from \$1.0 Million per year to a projected \$2.2 Million by the year 2000.

In total, Clearwater Gas System currently contributes \$1.2 Million in total revenues to the City including Dividends, Payment in Lieu of Taxes and Administrative Interfund Transfer. Implementation of this Strategic Plan should allow our total interfund contributions to grow to \$3.3 Million by the year 2000.

**CLEARWATER GAS SYSTEM
STRATEGIC PLAN
1993 - 2000.**

Business Scope and Ownership

The Clearwater Gas System (CGS) is a municipally-owned natural gas and liquid petroleum (LP) distribution utility owned by and operating under the Charter of the City of Clearwater, Florida. CGS also operates an appliance showroom and sells gas appliances, installs customer gas house-piping, and services domestic and commercial gas equipment.

History

The Clearwater Gas System has been serving customers in the Clearwater area since 1923 when we first began with a manufactured gas operation from coal. In 1959 we discontinued the manufacturing of gas and began receiving piped natural gas from the Florida Gas Transmission pipeline.

Market Area and Growth Potential

Clearwater Gas System serves nearly 12,000 customers in eleven (11) municipalities as well as the unincorporated areas of northern Pinellas County as follows:

Municipalities Served

Pinellas County Areas Served

Belleair	Indian Rocks Beach	Crystal Beach	Highpoint
Belleair Beach	Largo	East Lake	Ozona
Belleair Bluffs	Oldsmar	Harbor Bluffs	Palm Harbor
Belleair Shores	Safety Harbor	Harbor Hills	Top of the World
Clearwater	Tarpon Springs		
Dunedin			

Our service territory generally extends from Ulmerton/Walsingham Road 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.

We are bordered on the south and east by Peoples Gas System, Inc., an investor-owned gas utility. Within our current service boundaries, we have significant opportunity to grow as we already have over 450 miles of gas main installed in our current service area but have less than a 5% customer saturation. We also have significant opportunity to expand northward to the developing areas of western Pasco and Hernando Counties and even potentially into Citrus County as these areas are not currently served by natural gas utilities.

OUR MISSION

The foundation of the Strategic Plan is provided by the Mission Statement. The Mission Statement defines CGS's fundamental reason for being and establishes an appropriate scope for our activities.

CGS MISSION STATEMENT

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

From our Mission Statement flows Key Result Areas upon which we can focus our objectives and measure our success.

KEY RESULTS AREAS

Financial Performance - Defined as budget performance, growth in dividend returns to the City of Clearwater and growth in the equity value of the CGS.

Safety - Defined as conducting our work in compliance with Federal, State and local regulations to insure the safety of both the public and our employees.

Municipal/Community Relations - Defined as conducting our work with a high regard for community improvement and a sensitivity for community social needs to foster a spirit of cooperation and pride between CGS, our employees and the communities we serve.

Price - Defined as insuring competitively priced products and service costs as compared to the industry, alternate energy sources and surrounding utilities.

Reliability - Defined as insuring adequate and dependable supply from our pipeline supplier(s) and excellence in the delivery of gas to our ultimate consumer.

Load Growth - Defined as customer and load retention, additions and increased gas usage to improve system utilization and enhance profitability.

Customer Satisfaction - Defined as:

Customer Service - the speed, accuracy, dependability and overall quality of execution of our construction, maintenance, service, installation, sales and customer support functions.

New Customer Programs and Services - the ongoing identification of external customer needs and the development of new programs and services to meet these needs and build profitability.

Organizational Effectiveness - The maximizing of organizational responsiveness and the minimizing of operational and regulatory barriers to efficient and effective customer service execution.

Employee Quality - the development of service quality through work force training, education and attitudes.

OUR VISION

An important responsibility of executive leadership is to provide a Vision for the future of the Clearwater Gas System to clarify management's picture of what CGS should look like when we reach the 21st century. The Vision portrays the character and spirit of the organization and provides a foundation for growth.

DIRECTOR'S VISION

- * The Clearwater Gas System (CGS) will be a highly competitive, market-oriented and profit-motivated gas utility and will be recognized for our professional service and responsiveness by our customers, the City, and the communities we serve.
- * Our employees will be highly trained, motivated and empowered in their jobs and will view themselves as team players and stakeholders in the success of the CGS.
- * The CGS management team will be assertive and willing to take risks commensurate with good business practices to achieve aggressive business objectives.
- * The City will view us as an enterprise activity or profit center operation and afford us as much autonomy as possible in order to operate as a free-market business entity.
- * Our customers will be our most important asset, and we will take extraordinary steps to satisfy their needs. We will "go the extra mile" to meet their every reasonable request and to find opportunities to exceed their expectations by identifying proactive services and solutions to their energy and service needs and delivering these in a professional and personable manner so as to achieve "excited satisfaction" with our product, our services and the CGS.

C. S. Warrington
Managing Director
& Executive Officer

KEY CUSTOMERS/COMMITMENT AREAS

A clear understanding of all of our Key Customers and a balanced commitment to serve the needs of each of these constituencies is vital to our long term health. Each customer group depends on the others and their bond is clear and ongoing communications between all Key Customer groups. To this end, we recognize the following as our Key Customers and Commitment Areas.

KEY CUSTOMERS/COMMITMENT AREAS

1. **The External Customer** is our daily service focus. It is our objective to meet and exceed all the reasonable needs of our external customers and to continuously expand so as to lower the incremental cost of our services and make possible expanded/enhanced services through a bigger, more professional, and more cost effective system.
2. **Our Employees** are the key to our success. It is our objective to select the best personnel, compensate them fairly, provide the best training, communicate our business philosophy and objectives, and build them into a cohesive team who are capable and empowered to serve our external customers' needs and to build our System to meet their future needs and challenges.
3. **The Citizens of the City of Clearwater** are our owners and the body we answer to ultimately. The City Commission, serves as their trustees and as our Board of Directors. It is our objective to provide safe, dependable and competitively-priced gas service in a manner which our citizens can be proud to own and which provides a public return to offset the tax structure of the City of Clearwater to the benefit of its citizens.
4. **Our Internal Customers** are vital elements in the successful execution of our mission for our external customers. Other City departments, vendors, suppliers, industry associations, etc., play important roles in assuring our daily and long term success. It is our objective to effectively communicate our needs, build healthy relationships, and demand excellence in all products and services which our internal customers provide which ultimately impacts the quality of our products and services which we provide our external customers.
5. **Communications** is the linkage between these key customer groups. Adequate communications is the key to understanding and successful execution of our business objectives. Only when all customer groups understand the differing viewpoints and reasonable needs of the others can a balance be reached which meets the objectives of all involved. Communications tools include bill messages and inserts, surveys, focus groups, workshops, interviews, benchmarking, etc.
6. **Quality** - It will be the fundamental commitment of the Clearwater Gas System to provide quality in our external services, excellence in our internal execution and engender a positive community pride and spirit for our utility.

ENVIRONMENTAL SCAN

The following trends and issues which will impact our industry were recently developed by the Southern Gas Association through an environmental scan analysis.

TRENDS AND ISSUES IMPACTING THE NATURAL GAS INDUSTRY

1. Restructuring of the gas industry will continue. The process of refining the traditional roles of producers, transporters, and distributors will continue as will efforts to bridge the understanding gap and bring about industry unity.
2. Management emphasis on cost control, efficiency, automation and productivity will intensify.
3. FERC will diligently pursue policies designed to foster a market responsive environment. The scope of state regulations will expand at an increasing rate.
4. The level and volatility of gas prices will have a significant impact on member companies.
5. An adequate natural gas resource base is available. Seasonal and peak requirements will increasingly be met by storage service.
6. Increasing competition for gas supply will cause changes in relationships.
7. Capitalizing on research and development results, particularly end-use technology, will require significant financial resources.
8. The effect on the natural gas industry of growing environmental concerns will be positive, and complying with environmental laws will have a broad impact on industry operations.
9. Soft economy with 1-2% GNP growth rate; inflation 2-3%; interest rates stable to +3%. Taxes likely to increase. Globalization will add competitive pressures to U.S. business and industry.
10. Social issues will include health care, the disabled, AIDS, substance abuse, crime, the homeless, child care, education, continuing decline of the nuclear family, aging and economic stratification of the population.
11. To retain a qualified work force, training and re-training programs will increase.
12. Different work ethic and value system of younger employees will produce changes in the workplace.
13. Global change will give added prominence to natural gas as a domestic energy source.
14. Gas consumption will be impacted by continued emphasis on conservation, high efficiency equipment, improved building construction techniques and codes and standards issues.
15. Competition among energy sources will intensify.

BUSINESS CLIMATE

The Clearwater Gas System's business climate is influenced by Federal and State issues as well as regional and City forces. We recognize these as follows:

Federal

1. The 1992 Energy Policy Act and the 1990 Clean Air Act provide impetus to increase the use of natural gas — American's clean burning, environmentally friendly, and domestically secure "fuel of choice". These also provide Federal leadership and mandates for Natural Gas Vehicles (NGVs).
2. The Federal Energy Regulatory Commission (FERC) has issued Order 636 restructuring our industry and, in particular, imposing major changes for our provider, the Florida Gas Transmission Company (FGT). This will require us to purchase and manage our own supply gas. This will increase our fuel costs as will several other aspects of the Order; namely: straight fixed variable (SFV) rate design, transition cost recovery (TCR), and a basic shift in the industry to tighter supply balance in line with demand.
3. Federal elections have shifted party control of the Executive Branch and created even more change and uncertainty. A major Energy or BTU tax appears likely to pass which could increase our fuel costs even more.
4. The Department of Energy (DOE) is mandating more testing programs and job proficiency requirements which will require formal training and documentation. Alcohol intoxication testing may become a requirement.
5. Competitive Natural Gas Air Conditioning is already available for the commercial market and the technology will be ready for the residential market by 1994. Desiccant cooling is also becoming commercially available for dehumidification to offset A/C needs.

State of Florida

1. The State Energy Office is increasingly imposing new Energy Standards and Building Codes which we must stay abreast of and participate actively to influence.
2. The Florida Public Service Commission (FPSC) is requiring more safety regulations and the Florida Department of Insurance/LP Division is requiring more testing and employee competency requirements for propane.
3. The Governor has issued an Executive Order encouraging NGVs and requiring State agencies to take the lead in converting the State Fleet. He is chairing a Southern Governors Alliance which will encourage NGVs and other energy conversions in support of Federal legislation.
4. The Municipal Gas Authority of Florida (MGAF) has been created with much support from Clearwater to provide capacity management and supply acquisition services for the anticipated FERC restructured world under Order 636. Fifteen (15) municipals have joined in this interlocal group.

BUSINESS CLIMATE (continued)

West Florida Regional

1. New transmission gas pipelines are being built into our area, namely: Florida Gas Transmission (FGT) Company's Phase III and the SunShine Pipeline (owned by Coastal, Florida Power Corporation (FPC) and TransCanada).
2. Pasco County is an obvious growth opportunity for us, but the window of opportunity will probably end when the new pipelines are completed in 1995-96. Unless we are established in our expansion area by then it is likely that competition will provide natural gas service in that area.
3. Peoples Gas System has already opened a Pasco LP office and operations and is actively seeking natural gas franchises in Pasco, Hernando and Citrus Counties. They are aggressively positioning themselves for the availability of the new transmission lines.
4. Traffic remains the area's #1 problem which will result in a continued high level of road work and relocation requirements. A new major expressway is proposed for mid Pasco County which could bring expanded growth to this less populated mid-county area.

City of Clearwater

1. The CGS has recently been reorganized after a 1991 decision by the City Commission to not sell the Gas Department. An outside Managing Director was brought into CGS in 1992 and given the charge to run CGS like a business and maximize profitability and return to the City. FY 91/92 Net Income before Dividends was \$2.0 Million as compared to \$450,000 for FY 90/91.
2. Two (2) of the five (5) Commissioners have since changed providing some uncertainty on our part as we request final approval to implement our Strategic Business Plan.
3. A City-wide hiring freeze was imposed in June producing further uncertainty and complexity in obtaining approval and implementing a growth plan.
4. There is increased competition between energy sources in our area namely electric, propane (other providers), and fuel oil. A "discounting" provision approved by the City Commission in February, 1993, has provided a "bandaid" solution. A full rate study was authorized by the Commission in March, 1993, and is in process with Coopers & Lybrand. This should provide the longer term rate tools to insure our rate competitiveness.

CGS STRENGTHS

1. We are the third largest municipally-owned natural gas system in Florida and one of the few municipal "full service" gas utilities, also providing propane (LP) gas, appliance sales and service, and house-piping installation services.
2. We have over 472 miles of existing natural gas mains plus three (3) 30,000 gallon storage tanks for LP gas. Our personnel are well trained to provide the full range of gas services and our staff is motivated.
3. We have only about a 5% saturation in our Northern Pinellas County service area and an obvious significant growth potential in our existing territory.
4. The western portion of Pasco County immediately north of our service territory has no natural gas service. No natural gas service exists even north of this into Hernando and Citrus Counties. Hence, we have obvious growth potential northward.
5. The City is financially sound and has bonding ability to support a major system expansion.
6. We have an excellent track record with gas buying, code enforcement and system safety.
7. We are in the process of a Rate Study which should allow us to be more competitive and our City Commission recently gave us a discounting provision which allows us to compete with alternative fuels.
8. The area economy is heavily supported by northern immigration predominantly from the mid-western states and international tourism, in particular from Canada, England, Japan, Germany and Greece. Natural gas is well received as a source of energy by these people as it has been more historically dominant in the northern climates.
9. Our largest users of gas are hospitals, health care facilities, hotels, motels, restaurants, and laundries. These are growth industries in our service area.

CGS WEAKNESSES/THREATS

1. Our current service area is fairly built-up requiring costly expansion opportunities in many cases.
2. Our area is predominantly residential and service industry dominated. We have little local industrial load opportunity.
3. We have Peoples Gas on both our southern and eastern borders and the Gulf of Mexico on our west. We have only northward to grow or become blocked on all sides.
4. There are numerous LP competitors in our area; namely: Peoples, Suburban, Empire, True Gas, Ferrell Gas, Synergy, Bay City, and others.
5. We have two (2) aggressive electric companies in our area; namely: Florida Power Corporation (FPC) and Tampa Electric (TECO).
6. We have a number of aggressive fuel oil providers in our area; namely: McMullen, Jet Age, and others.
7. We have only one (1) pipeline supplier (FGT) with a second in the planning stage (SunShine).
8. Our window of growth opportunity because of these two (2) pipeline's plans to the north is short. We must establish our expansion territory by late 1994/early 1995.
9. We have no marketing staff and virtually no technical expertise in-house to develop the new Natural Gas Vehicle (NGV) and Natural Gas Cooling markets.
10. Our weather pattern, while excellent to live in, provides little opportunity for heating load (ten year average heating degree days = 532) while we have high cooling opportunity (ten year average cooling degree days = 3,613) but the cooling technology particularly in the residential sector has not allowed us to exploit this as of yet.

STRATEGIC OPPORTUNITIES

As a result of our preceding assessment, we simultaneously propose the following four (4) strategies designed to accomplish our Key Result Areas and better fulfill our Mission.

Strategy #1: Continue the Existing Level of Gas Service Operations in Pinellas County (Base Plan)

This strategy will allow us to continue our current growth rate of 450 new customers/year and allow us to generate \$800,000 in FY 93/94 annual dividends to the City which should grow to \$1.1 Million by the year 2000.

Strategy #2: Accelerate Existing Gas Services in Pinellas County

This strategy recognizes that we have only a 5% saturation in Pinellas County and have the potential to grow to at least 10 - 15%, from about 11,800 customers today to ultimately at least 20,000 - 30,000 customers. This strategy will require 14 additional personnel and \$570,000 in first year operating expense to add 400 additional customers/year. This will increase FY 93/94 revenues by \$390,000 and generate added annual dividends of \$200,000 by the year 2000. This strategy also includes monies for the relocation of the Sales Section to a "shopping center" environment to provide an adequate appliance showroom to support this growth.

Strategy #3: Expand Existing Gas Services into Pasco County

This strategy will require a very aggressive three (3) year growth schedule to build the 48 mile trunkline, \$10 Million in capital bond issues and 7 added employees to build a total of 91.6 miles of new main and connect nearly 1,300 new customers within the first five (5) years. This should generate added annual net revenues of \$3.2 Million and annual dividends of \$500,000 by the year 2000 and preserve our growth opportunities to the north. This strategy includes the opening of a Pasco field office to support the operations, sales and customer service needs of Pasco County and requires a FY 93/94 operating budget of \$398,130.

Strategy #4: Develop New Gas Markets for Pinellas and Pasco Counties

This strategy recognizes the powerful opportunities available in the emerging Natural Gas Vehicle and Gas Air Conditioning markets and would provide a minimum staff of 3 to begin developing programs to exploit this opportunity. This will require a FY 93/94 operating budget of \$192,960 but is projected to produce annual net revenues of \$1.6 Million and added annual dividends of \$400,000 by the year 2000.

Adoption of all four (4) of the above strategies will require 24 additional employees, allow us to grow to nearly 19,000 customers by the year 2000 and increase our annual dividend to the City from a current level of \$1.0 Million to a projected \$2.2 Million by the year 2000. This will require additional FY 93/94 net operating expense outlay of just over \$1.5 Million and the sale of approximately \$25 Million in Bonds over the next seven (7) years. A \$12 Million initial bond issue is needed for the first two (2) years expansion requirements. This will produce first year added Net Revenues of \$1.7 Million which are projected to grow to nearly \$8.7 Million above current levels by the year 2000.

KEY APPROVAL ISSUES FOR THE CITY COMMISSION

1. Approve an overall Clearwater Gas System budget for FY 93/94 as follows:

	<u>FY 93/94</u>	<u>Increase from FY 92/93</u>
Revenue Budget*	\$16,335,000	\$3,587,460
Operating Budget	\$15,008,480	\$3,223,330
Employees	91.7 FTE	24 FTE

*Note: Coopers & Lybrand is currently engaged in doing a Rate Study for the Clearwater Gas System which should be completed by late August/early September. For the purposes of this Budget Plan we have assumed that Gas Sales Revenues in total will not change; however, we do expect some shifts between the classes. We did project in this Budget Plan an increase of \$500,000 in Installation and Service Charges to reflect expected increases in labor rates since our current rates were set in the early 1980's.

2. Approve in concept \$25 Million in Bonding requirements over the next seven (7) years and, in specific, a Bond Issue to Net \$12 Million for FY 93/94 which is designed to cover the first two (2) years of capital expansion requirements. Future year bond issues will be supported by revisions to the Strategic Plan.
3. Approve in concept a levelized interfund contribution plan such that the Gas Fund will contribute to the City's General Fund as follows:

	<u>FY 93/94</u>	<u>Future Years#</u>
Dividend from Net Income	\$1,010,000	\$1,000,000
Payment in Lieu of Taxes	508,720	508,720
Administrative Interfund Transfer	<u>572,520</u>	<u>572,520</u>
Total Interfund Transfer	\$2,091,240	\$2,081,240

#Note: Future years to be planned at this level until one-half of the Net Income catches up with the \$1.0 Million Dividend level. At this point the City Commission should reconsider the transfer formulas applicable to the Clearwater Gas System.

GAS SYSTEM

MISSION STATEMENT

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

The Gas System Department budget consists of seven programs as indicated below. There are currently 67.7 employees (full time equivalent) in the department, and this budget request proposes the addition of 24 employees to accomplish four very aggressive strategic proposals.

DEPARTMENT REVENUES AND EXPENDITURES:

REVENUES:	Actual 91/92	Budget 92/93	Adjusted 92/93	Estimated 93/94	Percent Change	
Gas Operating Revenues	10,643,806	10,400,000	11,016,690	12,180,000	11%	
Prior Working Capital	371,810	224,290	224,290	1,010,000	350%	
Materials & Service Charges	57,125	262,500	177,090	497,000	177%	
Capitalized Labor	404,138	470,000	450,000	650,000	44%	
Installation Charges	210,739	225,520	169,060	700,000	314%	
Franchise Fees	162,919	140,000	172,120	180,000	5%	
Appliance Sales	133,547	170,000	144,270	250,000	73%	
Other Enterprise Funds	91,060	79,260	79,260	92,000	16%	
Other Revenue	287,409	389,000	314,760	783,000	149%	
TOTAL	12,362,553	12,360,570	12,747,540	16,335,000	28%	
EXPENDITURES:	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94	Percent Change
Administration & Supply				9,952,220	9,943,280	n/a
Sales	373,087	444,440	437,570	808,210	805,150	84%
Distribution	9,676,481	9,610,410	10,182,450	2,349,450	2,319,380	-77%
Service	996,848	1,013,560	1,029,630	1,214,290	1,194,880	16%
Dispatch	140,592	135,610	135,500	157,290	154,700	14%
Marketing & Planning				195,760	192,960	n/a
Pasco Gas Expansion				402,020	398,130	n/a
TOTAL	11,187,008	11,204,020	11,785,150	15,079,240	15,008,480	27%

**GAS SYSTEM
DEPARTMENTAL**

KEY RESULT AREAS TO MEASURE CLEARWATER GAS SYSTEM'S SUCCESS

FINANCIAL PERFORMANCE

Defined as: Budget performance, growth in dividend returns to the City of Clearwater and growth in the equity value of the Clearwater Gas System (CGS).

Goal:

1. To produce net income before dividends of at least \$1.26 million in FY 93/94 in order to insure at least a \$1.01 million dividend to the City for FY 95/96. Total Revenues paid to the City General Fund including Payment in Lieu of Taxes and Administrative Interfund Transfer are projected to be \$2.09 million for FY 93/94.

Measures: Monthly CGS financial statements.

SAFETY

Defined as: Conducting our work in compliance with Federal, State and local regulations to insure the safety of both the public and our employees.

Goals:

2. To replace at least 1.0 mile of old cast iron, xtrube or galvanized main in FY 93/94, above and beyond a budgeted 2.0 miles of highway relocation and main replacement work.

Measures: Butler reports.

3. To repair at least 95% of all outside gas leaks within one (1) work day of discovery in FY 93/94.

Measures: Leak reports.

MUNICIPAL/COMMUNITY RELATIONS

Defined as: Conducting work with a high regard for community improvement and a sensitivity for community social needs to foster a spirit of cooperation and pride between CGS, our employees and the communities we serve.

Goals:

4. To enhance the City's economic vitality by beginning the cost effective focus of CGS resources to maximize gas utilization versus alternative energy sources by providing gas to new structures and installing gas appliances to replace other fuel sources in the North Greenwood community as follows:
 - o CGS performance reports to the City Manager and
 - o Develop opportunities for the focusing of resources by February 1, 1994.
 - o Begin implementing cost effective programs and services by April 1, 1994.

Measures: CGS performance reports to the City Manager and indicator tracking report.

5. To conduct a CGS awareness program for at least eight (8) city/county commission or major public forum meetings (outside of the City of Clearwater) during FY 93/94 and work with local media to obtain favorable coverage of same to showcase CGS programs and services and build community awareness.

Measures: CGS performance reports to the City Manager on outside Commission/major public presentations, newspaper articles, and TV appearances.

PRICE

Defined as: Insuring competitively priced products and service costs as compared to the industry, alternate energy sources and surrounding utilities.

Goals:

6. To develop a quarterly update of per therm prices for natural gas, per gallon prices for LP and customer/service charges vs. competitive fuels by November 1, 1993, and initiate in a timely manner ongoing rate enhancements to maintain an appropriate competitive advantage. To update same by February 1, 1994; May 1, 1994; and August 1, 1994.

Measures: Rate reports.

RELIABILITY

Defined as: Insuring adequate and dependable supply from our pipeline supplier(s) and excellence in the delivery of gas to our ultimate consumer.

Goals:

7. To implement the Federal Energy Regulatory Commission (FERC) Order 636 by the Florida Gas Transmission (FGT) effective date of October 1, 1993, in as smooth and cost effective a manner as possible while taking a leadership role in the Municipal Gas Authority of Florida (MGAF).

Measures: FERC report and MGAF minutes.

8. To develop a customer main line outage indicator by January 1, 1994; begin recording outage data by April 1, 1994; and developing improvement objectives for the remainder of FY 93/94 as well as FY 94/95 by July 1, 1994.

Measures: Indicator tracking report.

LOAD GROWTH

Defined as: Customer and load retention, additions and increased gas usage to improve system utilization and enhance profitability.

Goals:

9. To increase customer saturation in Pinellas County by connecting at least 850 new customers (150 commercial and 700 residential) and installing at least 15 miles of new main in Pinellas County in FY 93/94.

Measures: Sales commission reports, Butler reports.

10. To expand CGS gas mains into Pasco County by installing at least 20 miles of new main and connecting at least 225 new customers (200 commercial and 25 residential) in Pasco County in FY 93/94.

Measures: Sales commission reports, Butler reports.

CUSTOMER SATISFACTION

Defined as: Customer Service: The speed, accuracy, dependability and overall quality of execution of our construction, maintenance, service, installation, sales and customer support functions.

New Customer Programs and Services: The ongoing identification of external customer needs and the development of new programs and services to meet these needs and build profitability.

Organizational Effectiveness: The maximizing of organizational responsiveness and the minimizing of operational and regulatory barriers to efficient and effective customer service execution.

Employee Quality: The development of service quality through work force training, education and attitudes.

Goals:

11. To develop internal departmental service measures and begin measurement of same by no later than October 1, 1993, and work with Utility Customer Support to identify and develop improved cross-functional processes and external gas customer service indicators with improvement targets for the remainder of FY 93/94 as well as FY 94/95 by June 1, 1994.

Measures: Indicator tracking report.

12. To complete at least 95% of customer connect requests taken by 3:00 p.m. daily within one (1) working day of the customer's request or by a later date as requested by the customer during FY 93/94.

Measures: Service order reports.

13. To identify our largest 25 customers as well as all of our customers who consume a total of 18,000 therms annually. Make personalized management contacts at least semi annually for the first group and personalized employee contacts at least annually with the rest followed up by management correspondence in FY 93/94. The purpose of these contacts will be to express gratitude for our business relationship and to obtain customer feedback on our level of service and any customer needs which we might be able to serve better.

Measures: Indicator tracking report.

14. To train at least eight (8) team leaders and initiate at least four (4) employee problem solving quality teams by September 30, 1994.

Measures: Team reports.

GAS SYSTEM Administration and Supply

DESCRIPTION:

Gas Administration and Supply responsibilities include: overall general management and clerical support for the Clearwater Gas System; 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.

The Gas Administration and Supply Program includes no additional cost centers.

PERSONNEL:

Position Title	Actual 91/92	Budgeted 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94
Gas System Managing Director	-	-	-	1	1
Gas Manager	1	1	1	-	-
Gas System Controller	-	-	-	1	1
Gas Superintendent	1	1	1	1	1
Assistant Gas Superintendent	1	1	1	1	1
Administrative Support Manager	-	1	1	-	-
Technical Specialist	-	-	-	1	1
Staff Assistant	2	2	2	2	2
Accounting Clerk	1	1	1	1	1
Storeskeeper	1	1	1	1	1
TOTALS	7	8	8	9	9

**GAS SYSTEM
ADMINISTRATION and SUPPLY**

FINANCIAL PERFORMANCE

Goals:

1. To continually manage a department budget which is realistic, adequately funded, done on time and maintained within expenditure limits while insuring a high level of service to our customers. Authorized departmental budget levels for FY 93/94 are:

o	Total Revenues	\$14.14 Million
o	Operating Budget	\$ 9.94 Million
o	Authorized Employees	9 FTE

Measures: Monthly CGS financial statement.

SAFETY

Goals:

2. To review our compliance requirements and develop a comprehensive CGS safety plan by April 1, 1994, to insure our ongoing compliance with all federal, state and local regulatory requirements for the safety of the public and our employees.

Measures: Safety plan progress report -- technical specialist.

MUNICIPAL/COMMUNITY RELATIONS

Goals:

3. To enhance the City's economic vitality by beginning the cost effective focus of CGS resources in the North Greenwood community by April 1, 1994, as follows:

- o Identify the current level of effort and coverage by December 1, 1993
- o Develop opportunities for the focusing of resources by February 1, 1994
- o Begin implementing cost effective programs and services by April 1, 1994

Measures: North Greenwood indicator report -- controller.

PRICE

Goals:

4. To submit a monthly report by the 10th of the following month to the managing director which compares the FERC index for natural and LP gas prices with CGS's purchase price during FY 93/94.

Measures: Natural gas month report -- superintendent.

RELIABILITY

Goals:

5. To implement the Federal Energy Regulatory Commission (FERC) Order 636 by the Florida Gas Transmission (FGT) effective date of October 1, 1993, in a smooth and cost effective manner while taking a leadership role in the Municipal Gas Authority of Florida (MGAF).

Measures: Progress report – superintendent or managing director.

6. To develop a long-range supply plan by April 1, 1994, to insure the cost effective availability of pipeline through-put capacity to serve the long-range load project of the CGS.

Measures: Develop a supply report – superintendent.

7. To insure adequate supplies of natural and LP gas by monitoring daily gas consumptions and submitting a monthly report by the 20th of the following month to the managing director during FY 93/94.

Measures: Monthly gas report – superintendent.

CUSTOMER SATISFACTION

Goals:

8. To develop internal departmental service measures and begin measurement of same by no later than October 1, 1993, and work with utility customer support to identify and develop improved cross-functional processes and external gas customer service indicators by June 1, 1994.

Measures: Monthly indicator report – assistant superintendent.

9. To develop a more effective employee suggestion motivation and resolution process which ties to the City Suggestion Program by February 1, 1994, and identify and improve at least two (2) processes which will significantly improve CGS organizational effectiveness and customer service in FY 93/94.

Measures: Monthly progress report – superintendent.

10. To develop an employee survey and needs assessment mechanism and initiate same by March 1, 1994, and develop improvement opportunities by June 1, 1994, to build identified needs in the FY 94/95 planning process.

Measures: Monthly progress report – assistant superintendent.

11. To train at least eight (8) team leaders and initiate at least four (4) employee problem solving teams by September 30, 1994.

Measures: Monthly progress report – assistant superintendent.

GAS SYSTEM Dispatch

DESCRIPTION:

Gas Dispatch is responsible for monitoring the gas and water telemetry system, and the control and coordination of all communications on the City's utilities radio network. The Service Dispatchers are responsible for: the handling of all emergency calls on a 24 hour basis and the handling of all other City emergency calls except police, fire, and traffic signals after normal hours; dispatching all gas service orders and some water, sewer, and stormwater orders; and securing the gas system facilities after working hours.

The Gas Dispatch Program includes no additional cost centers.

PERSONNEL:

Position Title	Actual 91/92	Budgeted 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94
Senior Service Dispatcher	1	1	1	1	1
Property Guards	3.5*	3.5*	3.7*	3.7*	3.7*
TOTALS	4.5*	4.5*	4.7*	4.7*	4.7*
Overtime	.2*	.1*	.2*	.2*	.2*

* Full Time Equivalent

GAS SYSTEM Dispatch

PROGRAM REVENUE AND EXPENDITURES:

PROGRAM REVENUES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93		Estimated 93/94	Percent Change
Gas Operating Revenues					62,700	
Other Enterprise					92,000	
TOTAL REVENUES					154,700	
PROGRAM EXPENDITURES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94	Percent Change
Personal Service	111,915	99,340	108,420	127,700	125,110	15%
Other Operating	17,130	19,980	12,190	8,050	8,050	-34%
Internal Services	11,547	14,290	12,890	20,540	20,540	59%
Capital	0	2,000	2,000	1,000	1,000	-50%
Debt Service	0	0	0	0	0	n/a
Transfer	0	0	0	0	0	n/a
TOTAL EXPENDITURES	140,592	135,610	135,500	157,290	154,700	14%

PROGRAM BUDGET HIGHLIGHTS:

- ▲ Radio Dispatch costs reflect a 14% overall increase due to converting two part-time Property Guard positions to full-time to provide adequate shift coverage. Also the fixed charges for Radio and Computer Information Services have increased \$8,740.

GAS SYSTEM DISPATCH

FINANCIAL PERFORMANCE

Goals:

1. To continually manage a department budget which is realistic, adequately funded, done on time and maintained within expenditure limits while insuring a high level of service to our customers. Authorized dispatch budget levels for FY 93/94 are:

o	Total Revenues	\$ 92,000
o	Operating Budget	\$154,700
o	Authorized Employees	4.7 FTE

Measures: Monthly financial statements.

CUSTOMER SATISFACTION

Goals:

2. To identify dispatch related problems by developing a tracking system by December 1, 1993, and to provide appropriate user training by June 1, 1994, in order to eliminate any identified problem areas.

Measures: Monthly tracking report.

GAS SYSTEM Distribution

DESCRIPTION:

Gas Distribution is responsible for the delivery of natural and LP gas to the end users in Northern 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; purchasing and inventorying of all gas parts and fittings; and assuring compliance with Federal and Florida Public Service Commission and Florida State Natural Gas and LP regulations.

The costs centers in this program are:

- Gas Construction
- Gas Maintenance

PERSONNEL:

Position Title	Actual 91/92	Budgeted 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94
Gas Distribution Supervisor	2	2	2	2	2
Gas Pipeline Welder	4	4	4	4	4
Gas Corrosion Technician	1	1	1	1	1
Gas Distribution Pipefitter	18	18	18	18	18
Utility Service Technician	1	1	1	-	-
Meter Repair Technician	1	1	1	2	2
Drafting Technician	3	3	3	4	4
Accounting Clerk	2	2	2	2	2
Pipefitter Helper	-	-	-	3	3
TOTALS	32	32	32	36	36
Overtime	.8*	1.3*	1.3*	1*	1*

* Full Time Equivalent

GAS SYSTEM Distribution

PROGRAM REVENUE AND EXPENDITURES:

PROGRAM REVENUES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93		Estimated 93/94	Percent Change
Gas Operating Revenues					1,666,380	
Capitalized Labor					650,000	
Other Revenues					3,000	
TOTAL REVENUES					2,319,380	
PROGRAM EXPENDITURES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94	Percent Change
Personal Service	1,249,601	1,297,610	1,304,870	1,289,110	1,259,040	-4%
Other Operating	5,210,979	5,524,370	5,773,620	241,440	241,440	-96%
Internal Services	491,403	518,620	525,220	266,830	266,830	-49%
Capital	40,726	57,600	61,190	26,500	26,500	-57%
Debt Service	516,901	524,830	530,170	4,570	4,570	-99%
Transfer	2,166,871	1,687,380	1,987,380	521,000	521,000	-74%
TOTAL EXPENDITURES	9,676,481	9,610,410	10,182,450	2,349,450	2,319,380	-77%

PROGRAM BUDGET HIGHLIGHTS:

- ▲ Maintenance Personal Services costs have increased due to the addition of one Pipefitter Helper, which will complete a two-person crew for LP tank installation. Annual increase in LP revenues are projected to be \$160,000.
- ▲ Construction Personal Services costs reflect the increased cost of one additional Drafting Technician and two Pipefitter Helpers to support customer demands for new gas services. Projected increases in Natural Gas Sales and Capitalized Labor & Materials Revenues are \$380,000.
- ▲ Other Operating Expenses - Contractual Services costs have increased by \$78,180 to perform a required cathodic protection survey, a gas leak survey and gas line locating services by outside contractors.
- ▲ Construction Capital items include purchase of a Drafting AutoCad Station to support the additional Drafting Technician. This is in the Computerization Long Range Plan for FY 94/95, which we propose to move to FY 93/94.
- ▲ Computer Information Services fixed costs have increased \$31,070 over the FY 92/93 budget. This charge is for the maintenance of computer equipment.

**GAS SYSTEM
DISTRIBUTION**

FINANCIAL PERFORMANCE

Goals:

1. To continually manage a division budget which is realistic, adequately funded, done on time and maintained within expenditure limits while insuring a high level of service to our customers. Authorized division budget levels for FY 93/94 are:

o	Total Revenues	\$653,000
o	Operating Budget	\$2.32 Million
o	Authorized Employees	36 FTE

Measures: Monthly budget printouts.

2. To change-out, rebuild and test 1,200 gas meters (a 10-year program of 10% per year) in FY 93/94 in order to maintain unaccountable gas losses at less than 1% as measured on our annual U.S. Department of Energy Report and Supplemental Gas Supply and Disposition report for the calendar year 1993 and future years. This report will be done by April 1, 1994.

- o To change out 1,000 resident gas meters.
- o To change out 200 commercial gas meters.
- o To rebuild 1,000 residential gas meters (500 in-house and 500 outside contract).
- o To rebuild 60 commercial regulators.
- o To test 1,000 residential gas meters.
- o To test 200 commercial gas meters.
- o To maintain and test 2 BPI/Emcorrectors bimonthly (20% of the total 10).
- o To maintain and test or change 2 rotary meters bimonthly (4% of the total 50).

Measures: Performance reports.

SAFETY

Goals:

3. To replace at least 1.0 miles of old cast iron, xtrube or galvanized main in FY 93/94, above and beyond a budgeted 2.0 miles of highway relocation and main replacement work.

Measures: Butler reports.

4. To repair at least 95% of all outside gas leaks within one (1) work day of discovery in FY 93/94 and to monitor and recheck 98% of the repaired gas leaks within 35 days to assure permanent repair has been achieved.

Measures: Leak reports.

5. To complete 214 miles of business section leak survey (100% of total) and 47 miles of residential leak survey (20% of total 233 miles) during FY 93/94.

Measures: Indicator tracking report.

RELIABILITY

6. To assist in developing a customer main line outage indicator by January 1, 1994; begin recording outage data by April 1, 1994; and assist in developing improvement objectives for FY 94/95 by July 1, 1994.

Measures: Indicator tracking report.

CUSTOMER SATISFACTION

Goals:

7. To install 95% of LP tanks within one week of receipt of tap order and to track LP outages due to lack of delivery, then improve 25% annually on failure rate of total LP accounts.

Measures: Indicator tracking report.

8. To complete new constructions 95% of the time as follows:

- o On line service, no permit -- 10 working days after receipt of tap order.
- o On line service, with permit -- 30 working days after receipt of tap order.
- o Main extension under 2,000 feet, no permit -- 10 working days after receipt of tap order.
- o Main extension under 2,000 feet, with permit -- 30 working days after receipt of tap order.

(Note: Mains over 2,000 feet will require these measures plus additional time for construction of the footage over the standard.)

Measures: Indicator tracking report.

9. To create a one-year data base of construction complaints and make a 10% improvement in the last half of the year below the first half of the year and then improve 10% annually.

Measures: Indicator tracking report.

10. To prepare construction permits 95% of the time as follows:

- o Service lines – 3 working days.
- o Gas mains under 1,000 – 6 working days.
(Note: Mains over 1,000 feet will require these measures plus additional time for footage over the standards.)

Measures: Indicator tracking report.

11. To keep interruptible billing errors to 2% or less of interruptible bills rendered annually.

Measures: Indicator tracking report.

12. To complete demolition cut and caps within one working day and standard cut and caps within 10 working days after the receipt of service order, or on date requested if later 95%.

Measures: Indicator tracking report.

GAS SYSTEM Service

DESCRIPTION:

Gas Service is responsible for all commercial and domestic gas service requests including turn-ons and turn-offs of gas meters; the repair service for residential and commercial customer owned gas appliances; the installation of customer owned house piping and appliances; and the securing of necessary gas permits to install gas appliances.

The costs centers in this program are:

- Gas Commercial & Domestic Repair
- Gas Installation

PERSONNEL:

Position Title	Actual 91/92	Budgeted 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94
Gas Service Supervisor	2	2	2	2	2
Staff Assistant	1	1	1	1	1
Utility Service Technician	16	16	16	21	21
Installation Clerk	-	-	-	1	1
TOTALS	19	19	19	25	25
Overtime	.9*	.9*	.9*	1.2*	1.2*

* Full Time Equivalent

GAS SYSTEM Service

PROGRAM REVENUE AND EXPENDITURES:

PROGRAM REVENUES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93		Estimated 93/94	Percent Change
Gas Operating Revenues					4,880	
Materials & Service Charges					490,000	
Installation Charges					700,000	
TOTAL REVENUES					1,194,880	
PROGRAM EXPENDITURES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94	Percent Change
Personal Service	724,282	770,890	752,650	848,990	829,580	10%
Other Operating	160,974	136,900	162,770	176,970	176,970	9%
Internal Services	102,321	92,460	100,970	163,780	163,780	62%
Capital	7,546	4,100	4,090	9,700	9,700	137%
Debt Service	1,725	9,210	0	14,850	14,850	n/a
Transfer	0	0	9,150	0	0	-100%
TOTAL EXPENDITURES	996,848	1,013,560	1,029,630	1,214,290	1,194,880	16%

PROGRAM BUDGET HIGHLIGHTS:

- ▲ Commercial & Domestic Repair Personal Services costs reflect the increase of one Utility Service Technician to perform commercial and domestic repair services. Projected increase in revenue by hiring this person is \$42,000.
- ▲ Installation Personal Services costs are up due to the addition of an Installation Clerk and four Utility Service Technicians. Anticipated increase in Installation Sales in FY 93/94 is \$166,000 as a result of the additional Utility Service Technicians.
- ▲ Radio Service fixed costs have increased \$23,320 over the FY 92/93 budget.
- ▲ Installation and Service revenues have been increased by \$500,000 based on preliminary rate case projections of the increase in labor hour charges.
- ▲ Building and Maintenance fixed costs for Commercial and Domestic Repair have increased \$16,140 over the FY 92/93 budget. Last year, the Water Department funded part of these costs which are now fully charged to this cost center.
- ▲ Capital items include a PC Workstation and Software for the Installation Clerk.

**GAS SYSTEM
SERVICE**

FINANCIAL PERFORMANCE

Goals:

1. To continually manage a division budget which is realistic, adequately funded, done on time and maintained within expenditure limits while insuring a high level of service to our customers. Authorized division budget levels for FY 93/94 are:

o	Total Revenues	\$1.19 Million
o	Operating Budget	\$1.19 Million
o	Authorized Employees	25 FTE

Measures: Monthly budget printouts.

2. To support the departmental goal of producing net income before dividends of at least \$2.0 million in FY 93/94 in order to insure at least a \$1.0 million dividend to the City for FY 94/95 by the following:

- o To increase installation revenues 116% over the previous year to \$366,000.
- o To provide installation estimates to 75% of new service line connections sold by gas sales.
- o To secure installation work on 70% of the estimates provided to new service line connections sold by gas sales.
- o To install 50% of the water heaters provided in the marketing program.
- o To install 50% of the water heaters sold by gas sales.
- o To increase overall service revenues by 37% over the previous year to \$242,000, to be broken down as: \$70,000, Code #212; \$10,000, Code #214; and \$162,000 - Code #221.

Measures: Monthly CGS financial statements.

CUSTOMER SATISFACTION

Goals:

3. To limit service callbacks on all commercial and domestic repairs to 5% or less during FY 93/94.

Measures: Indicator tracking report.

4. To complete at least 95% of all appliance repairs within three (3) working days of the customer's request or by a later date as requested by the customer during FY 93/94.

Measures: Indicator tracking report.

5. To complete at least 95% of customer connect requests taken by 3:00 p.m. daily within one (1) working day of the customer's request or by a later date as requested by the customer during FY 93/94.

Measures: Indicator tracking report.

6. To complete 95% of domestic conversions, propane to natural, within 15 working days after the meter has been set, with customer approval and to complete 95% of commercial conversions, propane to natural, within 20 working days after the meter has been set, with customer approval.

Measures: Indicator tracking report.

7. To maintain a 5% or less customer complaint on service and/or repair work total.

Measures: Indicator tracking report.

GAS SYSTEM Sales

DESCRIPTION:

Gas Sales is responsible for the sale of natural and LP gas to commercial and residential customers; the sale of natural and LP commercial and residential gas appliances; the estimating of natural and LP gas house piping installations; appliance inventory management; 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 show room, at the customers' premises and at area sales and trade shows.

The Gas Sales Program includes no additional cost centers.

PERSONNEL:

Position Title	Actual 91/92	Budgeted 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94
Gas Sales Manager	1	1	1	1	1
Gas Sales Assistant	-	-	-	1	1
Gas Sales Representative	2	2	2	4	4
Staff Assistant	1	1	1	1	1
TOTALS	4	4	4	7	7

GAS SYSTEM Sales

PROGRAM REVENUE AND EXPENDITURES:

PROGRAM REVENUES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93		Estimated 93/94	Percent Change
Gas Operating Revenues					545,150	
Appliance Sales					250,000	
Other Revenue					10,000	
TOTAL REVENUES					805,150	
PROGRAM EXPENDITURES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94	Percent Change
Personal Service	131,735	146,670	146,400	241,930	238,870	63%
Other Operating	238,333	284,450	277,850	545,040	545,040	96%
Internal Services	2,919	12,320	12,320	15,040	15,040	22%
Capital	100	1,000	1,000	6,200	6,200	520%
Debt Service	0	0	0	0	0	n/a
Transfer	0	0	0	0	0	n/a
TOTAL EXPENDITURES	373,087	444,440	437,570	808,210	805,150	84%

PROGRAM BUDGET HIGHLIGHTS:

- ▲ Personal Services costs are anticipated to increase due to the addition of one Sales Assistant and two Sales Representatives. Projected increase in Appliance and Parts Sales is \$115,051. Natural and LP Gas Sales revenue increases are projected to be \$340,000 annually.
- ▲ Additional funds of \$35,400 were included in the Sales Budget for the opening of a sales appliance showroom within our gas service area. This is over and above what we currently pay for space and maintenance at the Utility Customer Support Building.
- ▲ Other Operating - Inventory purchases have increased \$90,000 over FY 92/93 to cover the anticipated increases in customer demand in FY 93/94.
- ▲ Internal Services costs have increased \$6,500 due to higher Computer Information Services and Radio Services fixed charges.
- ▲ Advertising and Other Promotions have increased \$117,000 to cover anticipated radio, newspaper and TV commercials and the Water Heater Sales Program.
- ▲ Capital items include a PC Workstation to process Sales billing and inventory, speeding up customer billings and reducing time required to receive payment.

**GAS SYSTEM
SALES**

FINANCIAL PERFORMANCE

Goals:

1. To continually manage a sales division budget which is realistic, adequately funded, done on time, and maintained within expenditure limits while insuring a high level of service to our customers. Authorized sales budget levels for FY 93/94 are:

o	Total Revenues	\$260,000
o	Operating Budget	\$805,150
o	Authorized Employees	7 FTE

Measures: Monthly CGS financial statements.

MUNICIPAL/COMMUNITY RELATIONS

Goals:

2. To support enhancement of the city's economic vitality by beginning the cost effective focus of CGS resources in the North Greenwood community by April 1, 1994, as follows:

- o Identify the current level of effort and coverage by December 1, 1993.
- o Develop opportunities for focusing resources and replacing other energy sources by February 1, 1994.
- o Assist implementing cost effective programs and services by April 1, 1994.

Measures: Performance reports.

LOAD GROWTH

Goals:

3. To increase customer saturation in Pinellas County by connecting at least 850 new customers and adding 1.5 million commercial/industrial annual therm sales (CATS) in FY 93/94.

Measures: Sales commission reports and indicator tracking report.

4. To install at least 500 new water heaters (475 in Pinellas and 25 in Pasco) for new home builders and electric conversions in FY 93/94.

Measures: Sales commission reports and indicator tracking report.

5. To maintain inventories and sales programs to sell at least \$250,000 of new appliance and parts while maintaining an average gross sales profit of 30% in FY 93/94.

Measures: Sales commission reports and indicator tracking report.

6. To install at least 200 new gas lights in Pinellas County in FY 93/94.

Measures: Sales commission reports and indicator tracking report.

GAS SYSTEM Pasco Gas Expansion

DESCRIPTION:

The Pasco Gas Expansion Program will be responsible for capturing all of the costs and revenues associated with the extension of the Clearwater Gas System into Pasco County. A strategic plan is being concluded which recommends system expansion to the north. This program will enable the manpower and operating budget to accomplish same. The overall goal of this expansion is long range growth and profitability.

The Pasco Gas Expansion includes no additional cost centers.

PERSONNEL:

Position Title	Actual 91/92	Budgeted 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94
Operations Manager	-	-	-	1	1
Customer Service Representative	-	-	-	1	1
Utility Service Technician	-	-	-	1	1
Pipefitter Helper	-	-	-	2	2
Gas Sales Representative	-	-	-	2	2
TOTALS	-	-	-	7	7
Overtime	-	-	-	.3*	.3*

* Full Time Equivalent

GAS SYSTEM Pasco Gas Expansion

PROGRAM REVENUE AND EXPENDITURES:

PROGRAM REVENUES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93		Estimated 93/94	Percent Change
Gas Operating Revenues					398,130	
TOTAL REVENUES					398,130	
PROGRAM EXPENDITURES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94	Percent Change
Personal Service				215,990	212,100	n/a
Other Operating				163,360	163,360	n/a
Internal Services				14,970	14,970	n/a
Capital				7,700	7,700	n/a
Debt Service				0	0	n/a
Transfer				0	0	n/a
TOTAL EXPENDITURES				402,020	398,130	n/a

PROGRAM BUDGET HIGHLIGHTS:

- ▲ This is a new program to expand natural gas services to Pasco County. The anticipated impact to the Gas Department budget is \$398,130. Projected first year natural gas revenues are \$400,000. Net revenues of \$3.2 Million annually are projected once the project is fully complete.

**GAS SYSTEM
PASCO GAS EXPANSION**

FINANCIAL PERFORMANCE

Goals:

1. To continually manage a Pasco Gas Expansion program budget which is realistic, adequately funded, done on time and maintained within expenditure limits while insuring a high level of service to our customers. Authorized division budget levels for FY 93/94 are:

o	Operating Budget	\$398,130
o	Authorized Employees	7 FTE

Measures: Monthly budget printouts.

2. To support the department's objectives by developing a proactive Pasco Gas Expansion Program contribution to the CGS business plan for FY 94/95 by July 1, 1994.

Measures: Clearwater Gas System business plan.

MUNICIPAL/COMMUNITY RELATIONS

Goals:

3. To conduct a CGS awareness program for at least four city/county commission meetings during FY 93/94 and to work with local media to obtain favorable coverage of same to showcase CGS programs and services and to build community awareness within Pasco County.

Measures: Commission presentations, newspaper articles, and TV appearances.

LOAD GROWTH

Goals:

4. To expand CGS gas mains into Pasco County by installing at least 20 miles of new main and connecting at least 225 new customers in Pasco County in FY 93/94.

Measures: Indicator tracking report.

5. To install at least 25 new water heaters in Pasco County for new home builders and electric conversions in FY 93/94.

Measures: Indicator tracking report.

6. To support the department's objectives by being a sales conduit for Pasco County developers and customers to make them aware of new appliances and parts availability through CGS in FY 93/94.

Measures: Indicator tracking report.

CUSTOMER SATISFACTION

Goals:

7. To support the department's objectives by identifying those customers in Pasco County who fall among our largest 25 customers as well as all customers who consume a total of 18,000 therms annually. Take the lead for making the personalized management contacts for the Pasco County customers at least semi-annually for the first group and personalized employee contacts at least annually with the rest followed up by management correspondence in FY 93/94. The purpose of these contacts will be to express gratitude for our business relationship and to obtain customer feedback on our level of service and any customer needs which we might be able to service better.

Measures: Indicator tracking reports.

GAS SYSTEM Marketing & Planning

DESCRIPTION:

Gas Marketing & Planning is responsible for planning, feasibility assessment and development 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.

The Gas Marketing & Planning Program includes no additional cost centers.

PERSONNEL:

Position Title	Actual 91/92	Budgeted 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94
Director of Gas Marketing & Planning	-	-	-	1	1
Gas Marketing Engineer	-	-	-	1	1
Staff Assistant	-	-	-	1	1
TOTALS	-	-	-	3	3

GAS SYSTEM Marketing & Planning

PROGRAM REVENUE AND EXPENDITURES:

PROGRAM REVENUES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93		Estimated 93/94	Percent Change
Gas Operating Revenues					192,960	
TOTAL REVENUES					192,960	
PROGRAM EXPENDITURES:						
	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	Recommended 93/94	Percent Change
Personal Service				113,710	110,910	n/a
Other Operating				67,550	67,550	n/a
Internal Services				5,200	5,200	n/a
Capital				9,300	9,300	n/a
Debt Service				0	0	n/a
Transfer				0	0	n/a
TOTAL EXPENDITURES				195,760	192,960	n/a

PROGRAM BUDGET HIGHLIGHTS:

- ▲ This is a new program to market new technologies such as Natural Gas Vehicles, Cogeneration and Gas Air Conditioning. The initial impact to the Gas Department is \$192,960. Additional net revenues of \$1.6 Million are projected by FY 99/00.

**GAS SYSTEM
MARKETING AND PLANNING**

FINANCIAL PERFORMANCE

Goals:

1. To continually manage a gas marketing and planning program budget which is realistic, adequately funded, done on time and maintained within expenditure limits while insuring a high level of service to our customers. Authorized program budget levels for FY 93/94 are:

o	Operating Budget	\$192,960
o	Authorized Employees	3 FTE

Measures: Monthly budget report.

MUNICIPAL/COMMUNITY RELATIONS

Goals:

2. To support the department's objectives to enhance the city's economic vitality by considering how to cost effectively focus gas marketing resources in the North Greenwood community by April 1, 1994, as follows:

- o Identify the current level of effort and coverage by December 1, 1993.
- o Develop opportunities for the focusing of resources by February 1, 1994.
- o Begin implementing cost effective programs and services by April 1, 1994.

Measures: Performance reports.

3. To conduct a CGS awareness program for at least ten city commission meetings during FY 93/94 and to work with local media to obtain favorable coverage of same to showcase CGS programs and services and build community awareness.

Measures: Commission presentations, newspaper articles, and TV appearances.

PRICE

Goals:

4. To support the department's price objectives by pro-actively seeking out how other utilities price their products and building these findings into new and enhanced marketing programs during FY 93/94.

Measures: Rate reports.

CUSTOMER SATISFACTION

Goals:

5. To take the leadership role in developing an external customer service survey and needs assessment mechanism and administer same by February 1, 1994. Develop improvement opportunities by May 1, 1994, to build identified needs into the FY 94/95 planning process.

Measures: Performance reports.

6. To take the leadership role in identifying our largest 25 customers and all of our customers who consume a total of 18,000 therms annually. Take the lead in scheduling personalized management contacts at least semi-annually for the first group and personalized employee contacts at least annually with the rest followed up by management correspondence in FY 93/94. the purpose of these contacts will be to express gratitude for our business relationship and to obtain customer feedback on our level of service and any customer needs which we might be able to serve better.

Measures: Performance reports.

7. To develop and implement at least two (2) new and innovative programs during FY 93/94 -- a natural gas vehicle program by March 1, 1994, and another by July 1, 1994.

Measures: New programs and associated budget reports.

CLEARWATER GAS SYSTEM
PROJECTED INCOME STATEMENT
(\$ MILLIONS)

	<u>FY92/93</u>	<u>FY93/94</u>	<u>FY94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>
REVENUES								
Sales of Gas (NG & LP)	11.45	12.31	14.37	16.06	17.90	19.94	21.39	22.65
Less Gas Commodity	-3.62	-4.12	-4.83	-5.41	-6.04	-6.74	-7.23	-7.73
Gas Sales Margin	7.83	8.19	9.54	10.65	11.86	13.20	14.16	15.12
Other Revenues	1.03	1.79	1.86	1.92	1.99	2.04	2.10	2.15
Bond Interest Earned	0.00	0.40	0.12	0.27	0.11	0.15	0.12	0.05
Net Revenues	8.66	10.38	11.52	12.84	13.96	15.39	16.36	17.32
EXPENSES								
Gas Reservation Charges	0.81	0.86	0.96	0.96	0.86	0.86	0.86	0.86
Admin. & Supply #	3.43	2.64	2.67	2.70	2.72	2.75	2.78	2.80
Dispatch #	0.13	0.15	0.16	0.16	0.17	0.17	0.18	0.19
Distribution #	In Admin.	1.14	1.17	1.21	1.24	1.27	1.31	1.34
Service #	1.05	1.18	1.18	1.18	1.18	1.18	1.18	1.18
Sales #	0.52	0.81	0.81	0.81	0.81	0.81	0.81	0.81
Pasco #	NA	0.40	0.44	0.47	0.50	0.54	0.57	0.60
Marketing #	NA	0.19	0.19	0.19	0.19	0.19	0.19	0.19
Depreciation	0.54	0.59	0.66	1.07	1.20	1.32	1.42	1.42
Interest Expenses	0.50	1.10	1.21	1.60	1.60	1.83	1.83	1.83
Total Expenses	6.96	9.06	9.57	10.25	10.47	10.92	11.13	11.22
Net Income	1.66	1.32	1.95	2.59	3.49	4.47	5.25	6.10
Dividends *	-0.22	-1.01	-1.00	-1.00	-1.00	-1.00	-1.52	-2.24
Net Change in Equity	1.46	0.31	0.95	1.59	2.49	3.47	3.73	3.86
Beginning Equity Balance	6.23	7.69	8.00	8.95	10.54	13.03	16.50	20.23
Ending Equity Balance	7.69	8.00	8.95	10.54	13.03	16.50	20.23	24.09

Notes:

* Assumes levelized \$1 Million dividends beginning for FY 94/95 until half of Net Income catches up.
Dividends may be offset by higher City assessments for Payment in Lieu of Taxes and Administrative Interfund charges.

Assumes addition of 24 employees in FY 93/94 which is all 4 Strategies and addition of 15 additional employees (12 in CGS and 3 in UCS) to meet the growth in customer maintenance workload.

**CLEARWATER GAS SYSTEM
PROJECTED YEAR END FINANCIALS FY 92/93
(\$000)**

	ACTUAL 10/92-5/93	PROJ 6/93	PROJ 7/93	PROJ 8/93	PROJ 9/93	PROJ TOTAL FY92/93	ACTUAL FY91/92	CHANGE	
								\$	%
REVENUES									
SALES OF NATURAL GAS	8260	872	773	750	750	11405	10588	817	7.7%
LESS GAS COMMODITY CHARGES	-2712	-281	-275	-268	-268	-3800	-3027	-773	23.9%
NATURAL GAS MARGIN	5548	591	498	484	484	7605	7561	44	0.6%
GROSS MARGIN %	67.2%	67.6%	64.4%	64.5%	64.6%	66.7%	71.4%	NA	-4.7%
OTHER REVENUES	763	72	72	72	71	1070	753	317	42.1%
NET REVENUES	6331	663	570	556	555	6675	6314	361	4.3%
EXPENSES									
GAS DEMAND CHARGES	630	44	44	44	44	606	746	60	8.0%
GAS DISPATCH DIVISION	90	11	11	11	11	134	132	2	1.5%
GAS DISTRIBUTION DIVISION	2332	280	280	280	279	3451	3271	180	5.3%
GAS SERVICE DIVISION	727	80	80	80	80	1047	994	53	5.3%
GAS SALES DIVISION	344	45	45	45	45	524	378	146	39.4%
DEPRECIATION	353	45	45	45	45	535	473	62	13.1%
INTEREST EXPENSE	331	42	42	42	41	498	497	1	0.2%
TOTAL EXPENSES	4809	547	547	547	545	6993	6469	506	7.6%
NET INCOME									
NET INCOME	1522	116	23	9	10	1660	1825	-146	-7.9%
DIVIDENDS	-211	-11	0	-2	0	-224	-372	148	-39.8%
NET CHANGE IN FUND EQUITY	1311	105	23	7	10	1436	1453	3	0.2%
SUMMARY OF PAYMENTS TO CITY									
GENERAL FUND DIVIDEND	211	11	0	2	0	224	372	-148	-39.8%
PAYMENT IN LIEU OF TAXES	290	38	38	38	38	434	421	13	3.1%
CITY ADMINISTRATION INTERFUND	370	48	48	48	47	555	519	36	6.9%
UTILITY CUSTOMER SUPPORT INTERFUND	164	21	21	21	20	247	237	10	4.2%
GARAGE INTERFUND	103	13	13	13	14	159	167	-8	-4.8%
OTHER INTERFUND	98	12	11	12	11	142	123	19	15.4%
TOTAL PAYMENTS TO CITY	1237	139	127	130	128	1761	1639	-78	-4.2%

CLEARWATER GAS SYSTEM
SUMMARY OF INCOME TO THE CITY
(\$ MILLIONS)

	<u>FY92/93</u>	<u>FY93/94</u>	<u>FY94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>
REVENUES								
Gross Revenues	12.48	14.50	16.35	18.25	20.00	22.13	23.61	25.05
Gas Costs	-4.63	-4.98	-5.69	-6.27	-6.90	-7.60	-8.09	-8.59
Bond Interest	0.00	-0.40	-0.12	-0.27	-0.11	-0.15	-0.12	-0.05
Net Gas Related Revenues	7.65	9.12	10.54	11.71	12.99	14.38	15.40	16.41
EXPENSES								
Gross Budget	10.80	13.18	14.40	15.66	16.51	17.66	18.36	18.95
Gas Costs	-4.63	-4.98	-5.69	-6.27	-6.90	-7.60	-8.09	-8.59
Depreciation	-0.54	-0.59	-0.88	-1.07	-1.20	-1.32	-1.42	-1.42
Payment in Lieu *	-0.43	-0.51	-0.51	-0.51	-0.51	-0.51	-0.51	-0.51
Admin. Interfund *	-0.56	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57
Net Gas Related Expenses	4.64	6.53	6.75	7.24	7.33	7.66	7.77	7.88
SCENARIO #1								
CITY INCOME								
Dividends	0.22	1.01	1.00	1.00	1.00	1.00	1.52	2.24
Payment in Lieu *	0.43	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Admin. Interfund *	0.56	0.57	0.57	0.57	0.57	0.57	0.57	0.57
Subtotal Income	1.21	2.09	2.08	2.08	2.08	2.08	2.60	3.32
% of Net Revenues	15.4%	22.9%	19.7%	17.8%	16.0%	14.5%	16.9%	20.2%
% of Gross Revenues	9.7%	14.4%	12.7%	11.4%	10.4%	9.4%	11.0%	13.3%
Utilities Cust. Support	0.25	0.24	0.27	0.30	0.32	0.35	0.38	0.40
Garage Interfund	0.16	0.22	0.22	0.23	0.23	0.24	0.24	0.25
Other Interfund	0.14	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Subtotal Support	0.55	0.82	0.85	0.89	0.91	0.95	0.98	1.01
Total	1.76	2.91	2.93	2.97	2.99	3.03	3.58	4.33
% of Net Revenues	22.4%	31.9%	27.8%	25.4%	23.0%	21.1%	23.2%	26.4%
ALTERNATE								
SCENARIO #2								
CITY INCOME								
Payment in Lieu #	0.43	0.51	0.65	0.74	0.82	0.90	1.00	1.06
Admin. Interfund #	0.56	0.57	0.79	0.66	0.91	0.97	1.01	1.04
Subtotal	0.99	1.08	1.44	1.60	1.73	1.87	2.01	2.10
increase from Scenario #1	0.00	0.00	0.36	0.52	0.65	0.79	0.93	1.02
Adjusted Net Income	1.68	1.32	1.59	2.07	2.84	3.68	4.32	4.08
Adjusted Dividend	0.22	1.01	0.84	0.66	0.80	1.04	1.42	1.84
Total City Income	1.21	2.09	2.28	2.26	2.53	2.91	3.43	3.94
% of Net Revenues	15.4%	22.9%	21.6%	19.3%	19.4%	20.2%	22.3%	24.0%
% of Gross Revenues	9.7%	14.4%	13.9%	12.4%	12.6%	13.1%	14.5%	15.7%

NOTES:

* Assumes levelized payments to the City in these areas from FY 93/94 through FY 99/00 so as to recover increasing Gas Fund contributions to the City through the Dividend.

Assumes Payment in Lieu of Taxes increases as 4.5% of prior year Gross Revenues and Administrative Interfund charges increase as 5.5% of current year Gross Budget.

**CLEARWATER GAS SYSTEM
PROJECTED STRATEGIC REVENUES
(\$MILLIONS)**

<u>TYPE/CODE/STRATEGY</u>	<u>FY93/94</u>	<u>FY94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>
GAS SALES (211,213,214)	Separate Line on Income Statement						
APPLIANCE RELATED SALES (216/251)							
#1	0.16	0.16	0.16	0.16	0.16	0.16	0.16
#2 *	0.09	0.09	0.09	0.09	0.09	0.09	0.09
#3 *	0.00	0.01	0.02	0.03	0.03	0.03	0.03
PRODUCTIVITY *	0.00	0.01	0.01	0.02	0.02	0.03	0.03
	-----	-----	-----	-----	-----	-----	-----
SUBTOTAL *	0.25	0.27	0.28	0.30	0.30	0.31	0.31
SERVICE REVENUES (212/221)							
#1	0.19	0.19	0.19	0.19	0.19	0.19	0.19
#2	0.04	0.04	0.04	0.04	0.04	0.04	0.04
#3	0.04	0.04	0.04	0.04	0.04	0.04	0.04
RATE CASE	0.20	0.20	0.20	0.20	0.20	0.20	0.20
PRODUCTIVITY (5%/YEAR)	0.02	0.04	0.06	0.08	0.10	0.12	0.14
	-----	-----	-----	-----	-----	-----	-----
SUBTOTAL	0.49	0.51	0.53	0.55	0.57	0.59	0.61
INSTALLATION REVENUES (225)							
#1	0.20	0.20	0.20	0.20	0.20	0.20	0.20
#2	0.17	0.17	0.17	0.17	0.17	0.17	0.17
#3	Included in #2						
RATE CASE	0.30	0.30	0.30	0.30	0.30	0.30	0.30
PRODUCTIVITY (5%/YEAR)	0.03	0.08	0.09	0.12	0.15	0.18	0.21
	-----	-----	-----	-----	-----	-----	-----
SUBTOTAL	0.70	0.73	0.76	0.79	0.82	0.85	0.88

**CLEARWATER GAS SYSTEM
 PROJECTED STRATEGIC REVENUES CONTINUED**

<u>TYPE/CODE/STRATEGY</u>	<u>FY93/94</u>	<u>FY94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>
<u>LATE PAYMENT FEES</u> (104)	0.07	0.07	0.07	0.07	0.07	0.07	0.07
<u>FRANCHISE FEES</u> (213)	0.18	0.18	0.18	0.18	0.18	0.18	0.18
<u>INTEREST INCOME</u> (101)	Separate Line on Income Statement						
<u>CAPITALIZED LABOR</u> (415)	Reduced from Operating Expenses on Income Statement						
<u>SVC CHARGES/OTHER DEPTS</u> (010/421)	0.09	0.09	0.09	0.09	0.09	0.09	0.09
<u>DIVIDEND OFFSET</u> (902)	Excluded as Net Income is computed before the Dividend is issued						
<u>OTHER ITEMS <\$10K</u> (222/224/226)	0.01	0.01	0.01	0.01	0.01	0.01	0.01
TOTAL	1.79	1.86	1.92	1.99	2.04	2.10	2.15

NOTES

* Future year revenues (after FY93/94) are increased by net margin only as added fuel/appliance costs are not included in operating cost budget projections.

No increases shown in future year revenues (after FY93/94) due to pass thru nature of franchise fee billing and no increase shown in operating cost budget projections correspondingly.

CSW: 7/1/93

**CLEARWATER GAS SYSTEM
PROJECTED STRATEGIC GROWTH
NG THERM SALES (MILLIONS)**

<u>STRATEGY</u>	<u>FY93/94</u>	<u>FY94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>	<u>7 YEAR TOTAL</u>
#1	0.48	0.96	1.44	1.92	2.40	2.88	3.36	13.44
#2	0.12	0.36	0.60	0.84	1.08	1.32	1.56	5.88
#3	0.50	2.00	3.06	4.09	5.23	5.59	5.95	26.42
#4	0.00	0.33	0.66	1.16	1.82	2.48	3.14	9.59
LP TO NG	0.03	0.11	0.21	0.35	0.51	0.71	0.93	2.85
LOST	-0.12	-0.24	-0.36	-0.48	-0.60	-0.72	-0.84	-3.36
NET INCREASE	1.01	3.52	5.61	7.88	10.44	12.26	14.10	54.82
TOTAL THERMS 15.00	16.01	18.52	20.61	22.88	25.44	27.26	29.10	NA
TOTAL NG \$ SALES* 11.41	12.18	14.09	15.68	17.41	19.36	20.74	22.15	94.1%
COST OF FUEL 3.80 33.3%	-4.06	-4.69	-5.22	-5.80	-6.45	-6.91	-7.38	94.2%
NET NG \$ MARGIN 7.61 67.7%	8.12	9.40	10.46	11.61	12.91	13.83	14.77	94.1%
\$ INCREASE/YEAR	0.51	1.28	1.06	1.15	1.30	0.92	0.94	7.16

* Based on 76.1 cents/therm = FY 92/93 Actual
No inflation figured as no inflation included in Operating Cost Growth

**CLEARWATER GAS SYSTEM
PROJECTED STRATEGIC GROWTH
LP SALES (\$MILLIONS)**

<u>STRATEGY</u>	<u>FY93/94</u>	<u>FY 94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>	<u>7 YEAR TOTAL</u>
#1	0.04	0.08	0.12	0.16	0.20	0.24	0.28	1.12
#2	0.08	0.24	0.40	0.56	0.72	0.88	1.04	3.92
#3	0.01	0.03	0.06	0.10	0.14	0.18	0.22	0.74
LP TO NG LOST	-0.02	-0.05	-0.14	-0.23	-0.34	-0.47	-0.62	-1.87
	-0.02	-0.06	-0.10	-0.14	-0.18	-0.22	-0.26	-0.98
	-----	-----	-----	-----	-----	-----	-----	-----
NET NEW	0.09	0.24	0.34	0.45	0.54	0.61	0.66	2.93
TOTAL LP \$ SALES (\$0.04)	0.13	0.28	0.38	0.49	0.58	0.65	0.70	NA
COST OF LP (\$0.02) (50%)	-0.06	-0.14	-0.19	-0.24	-0.29	-0.32	-0.35	NA
	-----	-----	-----	-----	-----	-----	-----	-----
NET LP \$ MARGIN (\$0.02) (50%)	0.07	0.14	0.19	0.25	0.29	0.33	0.35	NA
\$ INCREASE/YEAR	0.05	0.07	0.05	0.06	0.04	0.04	0.02	0.33

CSW: 7/13/93

**CLEARWATER GAS SYSTEM
PROJECTED STRATEGIC GROWTH
CUSTOMERS**

<u>STRATEGY</u>		<u>FY92/93</u>	<u>FY93/94</u>	<u>FY94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>	<u>7 YEAR TOTAL</u>
#1	NG		400	400	400	400	400	400	400	2800
	LP		50	50	50	50	50	50	50	350
#2	NG		200	200	200	200	200	200	200	1400
	LP		200	200	200	200	200	200	200	1400
#3	NG		200	200	300	300	300	300	300	1900
	LP		25	25	50	50	50	50	50	300
#4	NG		5	5	10	10	10	10	10	60
	LP									
SUBTOTAL	NG		805	805	910	910	910	910	910	6160
	LP		275	275	300	300	300	300	300	2050
CHG TO FROM	NG		50	75	100	125	150	175	200	875
	LP		-50	-75	-100	-125	-150	-175	-200	-875
LOST CUST	NG		-100	-100	-100	-100	-100	-100	-100	-700
	LP		-50	-50	-50	-50	-50	-50	-50	-350
NET NEW	NG		755	780	910	935	960	985	1010	6335
	LP		175	150	150	125	100	75	50	825
	ALL		930	930	1060	1060	1060	1060	1060	7160
FYE CUST	NG	11700	12455	13235	14145	15080	16040	17025	18035	NA
	LP	100	275	425	575	700	800	875	925	NA
	ALL	11800	12730	13660	14720	15780	16840	17900	18960	NA
% OF GROWTH			7.5%	7.0%	7.5%	7.0%	6.6%	6.2%	5.9%	60.7%

**CLEARWATER GAS SYSTEM
STRATEGIC BONDING REQUIREMENTS
(\$ MILLIONS)**

PASCO EXPANSION PLAN (STRATEGY #3)

<u>DESCRIPTION</u>	<u>FY93/94</u>	<u>FY94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>	<u>7 YEAR TOTAL</u>
TRUNK MAIN LINE	4.20	1.70	0.60	0.30	0.00	0.00	0.00	6.80
COML. MAIN EXTENSIONS	0.30	0.30	0.30	0.30	0.30	0.00	0.00	1.50
RESL. MAIN EXTENSIONS	0.20	0.60	0.30	0.20	0.20	0.00	0.00	1.50
PRELIMINARY ENGL/CONSULT.	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.20
VEHICLES (5)	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.05
COMPUTERS (2)	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01
SUBTOTAL #3	4.96	2.60	1.20	0.80	0.50	0.00	0.00	10.06

PINELLAS COUNTY PLAN

<u>DESCRIPTION</u>	<u>FY93/94</u>	<u>FY94/95</u>	<u>FY95/96</u>	<u>FY96/97</u>	<u>FY97/98</u>	<u>FY98/99</u>	<u>FY99/00</u>	<u>7 YEAR TOTAL</u>
#1 CIP	0.87	1.51	1.54	1.57	1.60	1.63	1.66	10.38
#1 VEHICLES (4)	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.05
SUBTOTAL #1	0.92	1.51	1.54	1.57	1.60	1.63	1.66	10.43
#2 CIP	0.70	0.20	0.20	0.20	0.20	0.20	0.20	1.90
#2 VEHICLES (4)	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.07
#2 COMPUTERS (7)	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03
SUBTOTAL #2	0.80	0.20	0.20	0.20	0.20	0.20	0.20	2.00
#4 CNG	0.50	0.40	0.40	0.30	0.20	0.20	0.20	2.20
#4 VEHICLES (2)	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03
#4 COMPUTERS (3)	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01
SUBTOTAL #4	0.54	0.40	0.40	0.30	0.20	0.20	0.20	2.24
TOTAL	7.22	4.71	3.34	2.87	2.50	2.03	2.06	24.73
BOND PURCHASES	12.00	0.00	7.00	0.00	5.00	0.00	0.73	24.73
PHASE	I		II		III		IV	
BALANCES								
BEGINNING BOND BALANCE	0.00	4.78	0.07	3.73	0.86	3.36	1.33	NA
NEW BONDS	12.00	0.00	7.00	0.00	5.00	0.00	0.73	NA
BOND \$ SPENT	-7.22	-4.71	-3.34	-2.87	-2.50	-2.03	-2.06	NA
REMAINING BOND BALANCE	4.78	0.07	3.73	0.86	3.36	1.33	0.00	NA

Notes:

A strategic plan update will be done in FY94/95 and reforecasts will be done for FY95/96 and out year's capital requirements before the Phase II bonds are requested. This process will also be followed before Phase III bonds are requested.



**CLEARWATER GAS SYSTEM
PROPOSED
PASCO COUNTY EXPANSION**

Black

Original Territory

(Ulmerton Road to Curlew Road)
Annual Revenues: \$9.4 Million

Miles of Main: 417
of Customers: 11,200

Yellow

North Pinellas/Tarpon Springs Expansion

(Curlew Road to Pinellas/Pasco County line)

Approx. Construction Cost: \$6.0 Million Backbone Miles: 37
Bonds Issued: 1983, \$7.1 Million Additional Miles: 13
Initial Construction: 1984 - 1987 # of Customers: 500
Annual Revenues: \$1.4 Million

Red

Pasco Phase I

(U.S. 19 North from Beckett Way to S.R. 54, S.R. 54 East from U.S. 19 to West Pasco Airpark)

Approx. Construction Cost: \$1,400,000 Miles of Main: 13
Projected Annual Revenue: \$1,006,000 # of Customers: 53
Projected Construction Timing: 1993-1994

Orange

Pasco Phase II

(U.S. 19 North from S.R. 54 to 1/2 mile North of S.R. 52)

Approx. Construction Cost: \$1,500,000 Miles of Main: 9.3
Projected Annual Revenue: \$612,775 # of Customers: 96
Projected Construction Timing: 1994

Green

Pasco Phase III (With FGT Gate Station)

(S.R. 52 East from U.S. 19 to Serenova Development)

Approx. Construction Cost: \$1,300,000 Miles of Main: 8
Projected Annual Revenue: \$207,485 # of Customers: 92
Projected Construction Timing: 1994-1995

Peach

Pasco Phase IV

(Little Road South from S.R. 52 to S.R. 54)

Approx. Construction Cost: \$1,300,000 Miles of Main: 8.3
Projected Annual Revenue: \$92,825 # of Customers: 23
Projected Construction Timing: 1994-1996

Pink

Pasco Phase V

(Seven Springs Blvd./East Lake Road South from S.R. 54 to John Chestnut Park)

Approx. Construction Cost: \$1,300,000 Miles of Main: 9
Projected Annual Revenue: \$103,485 # of Customers: 26
Projected Construction Timing: 1994-1997

Pasco County Main Line Expansion SubTotal

Approx. Construction Cost: \$6,800,000 Miles of Main: 47.6
Projected Annual Revenue: \$2,022,570 # of Customers: 230

Pasco Expansion Engineering and Consultant Services

Approx. Cost: \$200,000

4" and 2" Distribution Main Extensions. Commercial

Approx. Construction Cost: \$1,500,000 Miles of Main: 22
Projected Annual Revenue: \$1,300,000 # of Customers: 160
Projected Construction Timing: 1994-1997

4" and 2" Distribution Main Extensions. Residential

Approx. Construction Cost: \$1,500,000 Miles of Main: 22
Projected Annual Revenue: \$600,000 # of Customers: 900
Projected Construction Timing: 1994-1997

Pasco County Expansion Project Total

Approx. Construction Cost: \$10,000,000 Miles of Main: 91.6
Projected Annual Revenue: \$3,922,570 # of Customers: 1,290

Return on Investment

6.9 Year Payback

PROJECT DESCRIPTION

Estimated Starting Date Estimated Completion Date

GAS SYSTEM

New Mains - Gas Main Extension

Oct. 1993 Sept. 1999

This is an on-going project which extends the natural gas mains to new residential and commercial customers throughout the gas service area. Funds for this project for FY 1994/95 through 1998/99 are included in the Pasco and Pinellas expansion bond issue. The \$300,000 of gas revenue funding in FY 1993/94 is for start up costs of constructing new mains while waiting for the bond to be sold.

Annual Operating Costs: No significant increase of existing operating costs.

Comprehensive Plan Objective: To provide utility service in the coastal zone consistent with consumer demand and sound principles of environmental management.

Additional Service Lines

Oct. 1996 Nov. 1999

In order to meet increasing demands for gas service, additional service lines are extended to new customers. Funds for this project for the next seven years are included in the Pasco and Pinellas expansion bond issue.

Annual Operating Costs: No significant increase of existing operating costs.

Comprehensive Plan Objective: To provide utility service in the coastal zone consistent with consumer demand and sound principles of environmental management.

Line Relocation - Maintenance

Oct. 1996 Nov. 1999

This project is used for the removal of gas mains as required by State Department of Transportation. When gas lines are relocated and the system is not upgraded, it is considered maintenance, and falls under this project. Funds for this project for the next seven years are included in the Pinellas and Pasco expansion bond issue.

Annual Operating Costs: No significant increase of existing operating costs.

Comprehensive Plan Objective: Where local improvements are proposed, the City shall, where applicable, coordinate these improvements with the County and neighboring jurisdictions.

FY 1993-94 THROUGH FY 1998-99 CAPITAL IMPROVEMENT PROGRAM
AND
FY 1993-94 CAPITAL BUDGET

Proj Code	Function/Program Project Name	Funding Source	Schedule of Planned CIP Expenditures						Total
			1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	

GAS SYSTEM

6341	New Mains - Gas Main Extension	Gas Rev	300,000						300,000
------	-----------------------------------	---------	---------	--	--	--	--	--	---------

6339	Additional Service Lines	Gas Rev							
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6348	Line Relocation - Maintenance	Gas Rev							
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PROJECT DESCRIPTION

Estimated Starting Date Estimated Completion Date

GAS SYSTEM

(Continued):

Line Relocation - Capitalized

Oct. 1996 Nov. 1999

This project is for the relocation of gas mains for local, County, State, and Federal public works projects. Funds for this project for the next seven years are included in the Pinellas and Pasco expansion bond issue.

Annual Operating Costs: No significant increase of existing operating costs.

Comprehensive Plan Objective: Where local improvements are proposed, the City shall, where applicable, coordinate these improvements with the County and neighboring jurisdictions.

System Renewal and Replacement - Maintenance

Continuous Annual Funding

This is a continuing project to maintain gas system, such as conducting cathodic protection and leak surveys, as required by State and Federal specifications. The maintenance portion of this project involves work that is not capitalized.

Annual Operating Costs: No increase of existing operating costs.

Comprehensive Plan Objective: To provide for a safe and efficient gas system that meets State and Federal regulations.

System Renewal and Replacement - Capitalized

Continuous Annual Funding

This is a continuing project to maintain the gas system, including replacement of original cast iron pipes with plastic pipe, to State and Federal specifications. This portion of the project involves work that adds to the value of the gas system and is therefore capitalized. Additional funding, replacing gas revenue funds, for this project for the next seven years are included in the Pinellas and Pasco expansion bond issue.

Annual Operating Costs: No increase of existing operating costs.

Comprehensive Plan Objective: To provide for a safe and efficient gas system that meets State and Federal regulations.

Gas Meter Change-Out

Oct. 1996 Nov. 1999

This is a continuing project to maintain accurate gas meters to maximize gas revenues. Funds for this project for the next seven years are included in the Pinellas and Pasco expansion bond issue.

Annual Operating Costs: No increase of existing operating costs.

Comprehensive Plan Objective: To provide for the systematic improvement of the City's physical plant and to increase efficiency in governmental operations.

FY 1993-94 THROUGH FY 1997-98 CAPITAL IMPROVEMENT PROGRAM
AND
FY 1993-94 CAPITAL BUDGET

Proj Code	Function/Program Project Name	Funding Source	Schedule of Planned CIP Expenditures						Total
			1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	
GAS SYSTEM									
<u>(Continued):</u>									
6340	Line Relocation - Capitalized	Gas Rev							
6349	System R & R - Maintenance	Gas R & R	53,000	56,000	57,000	58,000	59,000	60,000	343,000
6342	System R & R - Capitalized	Gas R & R	168,000	177,000	180,000	183,000	190,000	197,000	1,095,000
6352	Gas Meter Change-Out	Gas Rev							

PROJECT DESCRIPTION

Estimated Starting Date Estimated Completion Date

GAS SYSTEM

(Continued):

Liquid Propane Gas Service

Continuous Annual Funding

This project will provide tanks, regulators and appurtenances which will be used to provide L.P. Gas Service to new customers where existing natural gas mains are not present. This will be an ongoing project to meet the increasing demands for gas service and to increase new customer load. Funds for this project for the next seven years are included in the Pinellas and Pasco expansion bond issue.

Annual Operating Costs: No increase in existing operating costs.
Comprehensive Plan Objective: To provide utility service in the coastal zone consistent with consumer demand and sound principles of environmental management.

Gas Inventory Control System

Oct. 1994 Sept. 1995

The Gas Inventory Control System will insure accurate inventory control of all gas parts, fitting, and appliances. Presently Clearwater Gas System inventory is valued at approximately \$500,000. This system will interface with the Ross Financial system currently being used by the City. All parts when received will be entered into inventory using a scanner and a bar code type system. The system will be more accurate and provide timely information. This is included in the CIS Long Range Plan #9342.

Annual Operating Costs: Yearly debt service, plus the software costs estimated at \$5,000.

Pasco & Pinellas Expansion Project

Oct. 1993 Nov. 1996

This project will provide funding for the extension of gas mains and services within Upper Pinellas and West Pasco Counties. It will also fund various activities such as gas main relocation for road construction, capital replacement of obsolete cast iron mains, L.P. services and gas meter change outs.

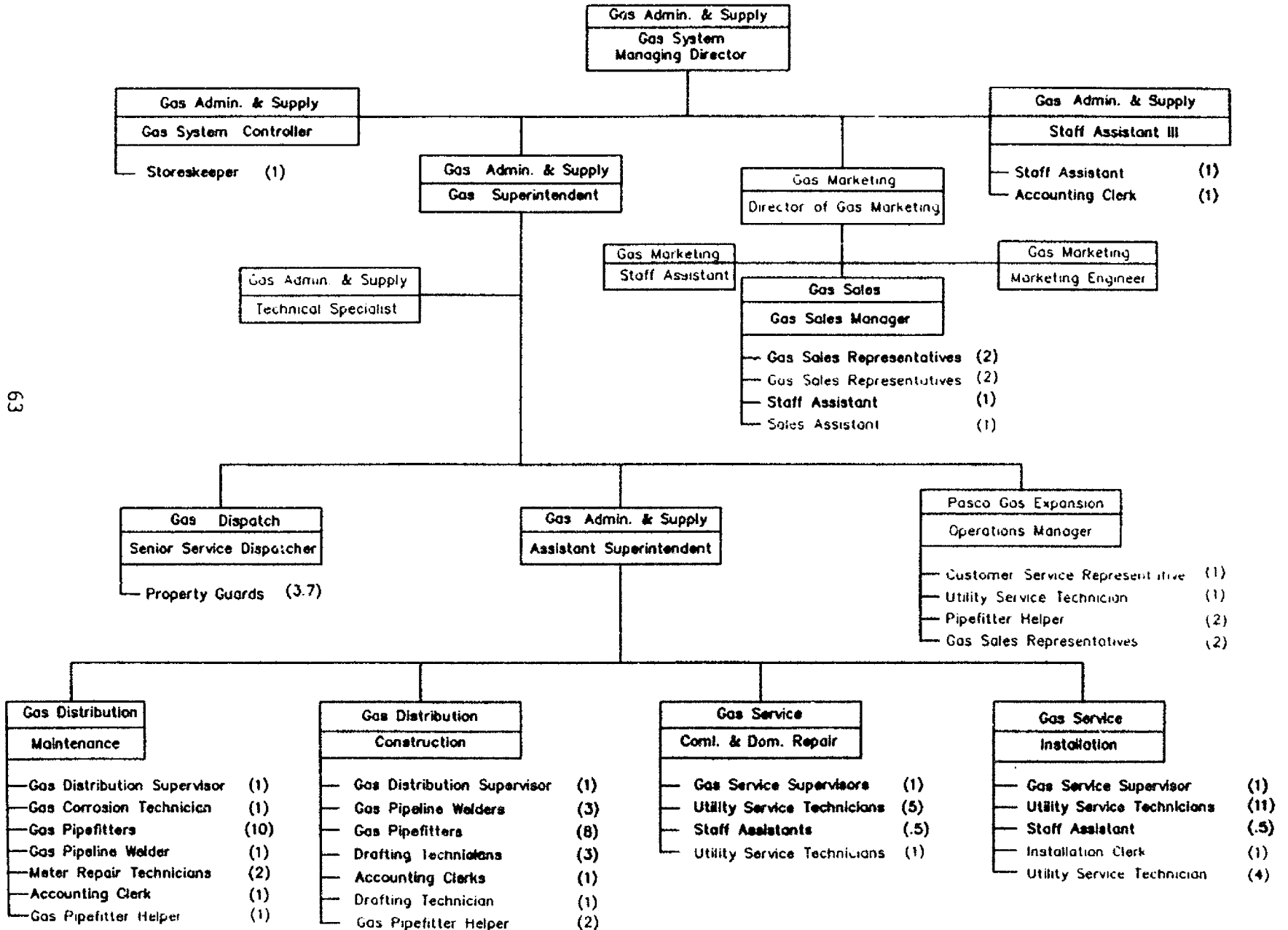
Annual Operating Costs: \$402,020 plus annual debt service.
Comprehensive Plan Objective: To provide utility service in the coastal zone consistent with consumer demand and sound environmental management.

FY 1993-94 THROUGH FY 1997-98 CAPITAL IMPROVEMENT PROGRAM
AND
FY 1993-94 CAPITAL BUDGET

Proj Code	Function/Program Project Name	Funding Source	Schedule of Planned CIP Expenditures						Total
			1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	
GAS SYSTEM									
<u>(Continued):</u>									
6356	Liquid Propane Gas Service	Gas Rev							
67xx	Gas Inventory Control System	L/P		25,000					25,000
67xx	Pasco & Pinellas Expansion Project	Bond Issue	7,219,800	4,708,200	3,340,500	2,870,000	2,500,000	2,030,000	22,668,500
Subtotal:									
Gas System			7,740,800	4,966,200	3,577,500	3,111,000	2,749,000	2,287,000	24,431,500

CLEARWATER GAS SYSTEM – 1993/94 PROPOSED ORGANIZATIONAL CHART

6/3/1993



63

CLEARWATER GAS SYSTEM STAFFING SUMMARY

	<u>Actual</u>	<u>Budgeted</u>	<u>Requested</u>
	<u>91/92</u>	<u>92/93</u>	<u>93/94</u>
<u>Gas Administration & Supply</u>			
Gas System Managing Director	1	1	1
Gas System Controller	0	1	1
Gas Superintendent	1	1	1
Assistant Gas Superintendent	1	1	1
Staff Assistants	2	2	2
Accounting Clerks	1	1	1
Storeskeeper	1	1	1
Admin Support Manager (Technical/Safety Training)	<u>0</u>	<u>0</u>	<u>1</u>
Subtotal	7	8	9
<u>Gas Dispatch</u>			
Senior Service Dispatcher	1	1	1
Property Guards	<u>3.5</u>	<u>3.5</u>	<u>3.7</u>
Subtotal	4.5	4.5	4.7
<u>Gas Distribution</u>			
Gas Distrib. Supervisors (1 in Const. & 1 in Maint.)	2	2	2
Gas Pipeline Welders (3 in Const. & 1 in Maint.)	4	4	4
Gas Corrosion Technician (1 in Maint.)	1	1	1
Gas Distrib. Pipefitters (8/8/10 in Const. & 10/10/11 in Maint.)	18	18	21
Util. Service Technician (1 in Maint.)	1	1	1
Meter Repair Technician (1 in Maint.)	1	1	1
Accounting Clerks (1 in Const. & 1 in Maint.)	2	2	2
Drafting Technicians (3/3/4 in Const.)	<u>3</u>	<u>3</u>	<u>4</u>
Subtotal (16/16/19 in Const. & 16/16/17 in Maint.)	32	32	36
<u>Gas Service</u>			
Gas Service Supervisors (1 in Repair & 1 in Installation)	2	2	2
Util. Service Technicians (5/5/6 in Repair & 11/11/15 in Install.)	16	16	21
Staff Assistants (0.5 in Repair & 0.5/0.5/1.5 in Install.)	<u>1</u>	<u>1</u>	<u>2</u>
Subtotal (6.5/6.5/7.5 in Repair & 12.5/12.5/17.5 in Install.)	19	19	25
<u>Gas Sales</u>			
Gas Sales Manager	1	1	1
Gas Sales Representatives	2	2	4
Gas Sales Assistant	0	0	1
Staff Assistant	<u>1</u>	<u>1</u>	<u>1</u>
Subtotal	4	4	7
<u>Gas Marketing & Planning</u>			
Director of Gas Marketing & Planning	0	0	1
Gas Marketing Engineer	0	0	1
Staff Assistant	<u>0</u>	<u>0</u>	<u>1</u>
Subtotal	0	0	3
<u>Pasco Gas Expansion</u>			
Operations Manager	0	0	1
Customer Service Representative	0	0	1
Utility Service Technician	0	0	1
Gas Distribution Pipefitters	0	0	2
Gas Sales Representatives	<u>0</u>	<u>0</u>	<u>2</u>
Subtotal	0	0	7
Total	66.5	67.5	91.7

CLEARWATER GAS SYSTEM

Additional Employee Requirements Due to Customer Growth Between FY 94/95 - FY 99/00

Administration/Supply	1 Accounting Clerk
Dispatch	1 Dispatcher
Construction	1 Accounting Clerk 2 Pipefitters
Maintenance	1 Pipefitter (LP) 1 Pipefitter (Maintenance)
Repair	0 *
Installation	0 *
Sales	0 *
Pasco	1 Construction Inspector 1 Pipefitter (LP/Maintenance) 1 Supervisor 1 Staff Assistant II 1 Customer Service Rep./Cashier
Marketing	<u>0</u> *
Subtotal CGS Employees	12 (5 for Strategy #3, 3.5 each for Strategies #1 & #2)
UCS **	1 Meter Reader 1 Collector <u>1</u> Customer Service Rep. 3
TOTAL CGS & UCS EMPLOYEES	15 (6 for Strategy #3, 4.5 each for Strategies #1 & #2)

* Would only request additional employees in this area as justified by added revenues.

** Expenses added to the Administration & Supply Program to account for these costs.

SUMMARY OF STRATEGY #1

Continue the Existing Level of Gas Service Operations in Pinellas County (Base Plan)

Customers:	11,800 Projected at end of FY 92/93 (11,700 NG and 100 LP) Adding 450 New Customers/Year (400 NG and 50 LP) 2,800 Net Additional Customers by the Year 2000
Net Revenues:	\$9.32 Million Projected for FY 93/94 \$11.19 Million Projected by FY 99/00
Net Operating Expenses:	\$6.23 Million Projected for FY 93/94 0.59 Projected Depreciation <u>0.53</u> Million Projected Net Interest Expense \$7.35 Million Projected Total Operating Expenses for FY 93/94 Net of Bond Interest \$8.33 Million Projected by FY 99/00
Net Income:	\$1.97 Million Projected for FY 93/94 \$2.86 Million Projected for FY 99/00
Capital Budget Requirements:	\$0.92 Million from Bond Sales <u>\$0.52</u> Million from CIP Funds \$1.44 Million Total for FY 93/94 \$12.19 Million Total for Next 7 Years
Personnel Requirements:	67.7 Full Time Equivalent in CGS plus Contractors and Employees Assigned to other City Departments <u>+3.5</u> By FY 99/00 (Plus 1 in UCS)* 71.2 Total by FY 99/00
Vehicles:	37 Existing Trucks/Vans + 4 in FY 93/94 for Supervisors 7 Existing Sedans
Computers:	11 Existing PC Workstations 3 Existing AutoCad Workstations
Telephones:	3 Existing Mobile Phones

* See Separate Listing for Additional Employee Requirements

SUMMARY OF STRATEGY #2

Accelerate Existing Gas Services in Pinellas County

Customers:	Adding 400 Additional New Customers/Year (200 NG and 200 LP) 2,500 Net Additional Customers by the Year 2000
Net Revenues:	\$390,000 Projected for FY 93/94 \$1.32 Million Projected by FY 99/00
Net Operating Expenses:	\$554,080 Projected for FY 93/94 -0- Projected Depreciation <u>20,000</u> Projected Net Interest Expense \$574,080 Projected Total Operating Expenses for FY 93/94 Net of Bond Interest \$910,000 Projected by FY 99/00
Net Income:	(\$184,080) Projected for FY 93/94 \$410,000 Projected for FY 99/00
Capital Budget Requirements:	\$805,000 from Bond Sales in FY 93/94 \$2.0 Million Total for Next 7 Years
Personnel Requirements:	14.0 Additional Full Time for FY 93/94 <u>+3.5</u> By FY 99/00 (Plus 1 in UCS)* 17.5 Total by FY 99/00

<u>FY 93/94 Additions</u>		<u>Trucks</u>	<u>PCs</u>
Gas Admin. & Supply:	1 Training Specialist		3
Gas Distribution:	2 Pipefitter Helpers (Construction Crew)	1	
	1 Drafting Technician		1
	1 Pipefitter Helper (LP)		1
Gas Service:	1 Service Technician (Repair)	1	
	4 Service Technicians (Installation)	2	
	1 Installation Clerk		1
Gas Sales:	2 Sales Representatives		1
	1 Sales Assistant		1
Total	<u>14</u>	<u>4</u>	<u>8</u>

* See Separate Listing for Additional Employee Requirements.

SUMMARY OF STRATEGY #3

Expand Existing Gas Services into Pasco County

Customers: Add 225 Additional New Customers/Year (200 NG and 25 LP)
1,900 Net Additional Customers by the Year 2000

Net Revenues: \$270,000 Projected for FY 93/94
\$3.16 Million Projected by FY 99/00

Net Operating Expenses: \$398,130 Projected for FY 93/94
-0- Projected Depreciation
140,000 Projected Net Interest Expense
\$538,130 Projected Total Operating Expenses for FY 93/94 Net of
Bond Interest
\$1.56 Million Projected by FY 99/00

Net Income: (\$268,130) Projected for FY 93/94
\$1.60 Million Projected for FY 99/00

Capital Budget Requirements: \$ 4.96 Million from Bond Sales in FY 93/94
\$10.06 Million Total for Next 7 Years

Personnel Requirements: 7.0 Additional Full Time for FY 93/94
+5.0 By FY 99/00 (Plus 1 in UCS)*
12.0 Total by FY 99/00

<u>FY 93/94 Additions</u>	<u>Trucks</u>	<u>Sedans</u>	<u>PCs</u>
1 Operations Manager		1	1
1 Customer Service Rep.			1
2 Sales Reps.			
2 Pipefitter Helpers (Construction)	1		
1 Service Technician (Repair)	1		
Total: <u>7</u>	<u>2</u>	<u>1</u>	<u>2</u>

*See Separate Listing for Additional Employee Requirements.

SUMMARY OF STRATEGY #4

Develop New Gas Markets for Pinellas and Pasco Counties

Customers: Add 5 New Customers in FY 93/94 (NGV & Gas A/C)
60 Net Additional Customers by the Year 2000

Net Revenues: \$-0- Projected for FY 93/94
\$1.60 Million Projected by FY 99/00

Net Operating Expense: \$192,960 Projected for FY 93/94
-0- Projected Depreciation
10,000 Projected Net Interest Expense
\$202,960 Projected Total Operating Expenses for FY 93/94 Net of
Bond Interest
\$370,000 Projected by FY 99/00

Net Income: (\$202,960) Projected Loss for FY 93/94
\$1.23 Million Projected for FY 99/00

Capital Budget Requirements: \$540,000 from Bond Sales in FY 93/94
\$2.24 Million Total for Next 7 Years

Personnel Requirements: 3.0 Additional Full Time for FY 93/94
Future Needs would be Justified with Added Revenues

<u>FY 93/94 Additions</u>	<u>Sedans</u>	<u>PCs</u>
1 Director of Marketing & Planning	1	1
1 Gas Market Engineer	1	1
1 Staff Assistant II		1
Total: <u>3</u>	<u>2</u>	<u>3</u>

CLEARWATER GAS SYSTEM

CSW:7/10/93

LISTING OF TEN LARGEST CUSTOMERS
FY 91/92

<u>Rank</u>	<u>Customer Name</u>	<u>Type of Business</u>	<u>Number/ Type of Accounts</u>	<u>Annual Therm Sales (000)</u>	<u>Annual Gas Sales Revenues</u>	<u>% of Total Gas Sales</u>
1.	National Linen	Laundry	1 - Interruptible	635.5	\$ 328,077	3.1%
2.	Metal Industries	Aluminum Extrusion	2 - Interruptible	467.3	\$ 248,462	2.3%
3.	Moorefield Paving	Asphalt Manufacture	1 - Interruptible	440.4	\$ 227,651	2.1%
4.	Morton Plant	Hospital	1 - Interruptible + 11 - Firm = 12	371.6	\$ 225,560	2.1%
5.	Clearwater Linen	Laundry	2 - Interruptible	286.1	\$ 147,750	1.4%
6.	Plasti-Kraft	Styrofoam Manuf.	1 - Interruptible	249.0	\$ 128,054	1.2%
7.	Mease Hospital	Hospital	1 - Interruptible	209.8	\$ 108,722	1.0%
8.	Sheraton Sand Key	Hotel	2 - Firm	123.5	\$ 89,421	0.8%
9.	City of Clearwater	Various Buildings	43 - Firm	111.7	\$ 88,698	0.8%
10.	H. P. Hoods	Citrus Processing	1 - Interruptible	109.9	\$ 58,434	0.6%
Total of 10 Customers			10 - Interruptible + 56 - Firm = 66	3,004.8	\$ 1,650,829	15.5%

CLEARWATER GAS SYSTEM INTERRUPTIBLE CUSTOMERS FY 91/92

RANK	CUSTOMER NAME	TYPE OF BUSINESS	CONSUMPTION (CCF x 1000)	REVENUE	% CHANGE FROM 90/91	% OF TOTAL
1	National Linen	Laundry	617.9	\$ 328,077	11.5	3.2
2	Metal Industries *	Aluminum Extrusion	454.4	248,462	0.4	2.4
3	Moorefield Paving	Asphalt Manufacturing	428.2	227,651	24.1	2.2
4	Morton Plant Hospital	Hospital	268.6	145,851	2.8	1.4
5	Plasti-Kraft	Styrofoam Manufacturing	242.1	128,054	12.8	1.2
6	Clearwater Linen #1 (Grand Central Avenue)	Laundry	208.3	110,608	6.5	1.1
7	Mease Hospital	Hospital	204.0	108,704	23.3	1.0
8	H.P. Hoods	Citrus Processing	109.9	58,434	-3.0	0.6
9	Largo Medical Center	Hospital	99.2	52,857	9.9	0.5
10	Clearwater Linen #2 (Drew Street)	Laundry	69.9	37,143	-17.0	0.3
11	Heath Signs	Sign Manufacturing	53.3	50,193	12.2	0.5
12	Florida Power Corporation	NGV/Plant Start-up	4.0	2,134	NEW	0.0
Total of 12 Customer Facilities/Total of 13 Accounts			2,759.8	\$ 1,498,168	10.1	14.4

71

* Metal Industries has 2 Meters/2 Accounts at the same location/facility.

Clearwater Gas System
Monthly Financial Statement
June 1993

<u>Assets</u>	<u>Current</u>	<u>Beg of FY</u>	<u>Net Change</u>	<u>% Change</u>
Cash	\$1,011,288	(310,549)	1,321,837	N/A
Accounts Receivable	543,134	526,425	16,709	3.17%
Restricted Assets	2,498,285	2,498,285	0	0.00%
Inventories	655,769	658,067	(2,298)	-0.35%
Fixed Assets	12,713,343	12,482,777	230,566	1.85%
Due from other Funds	1,851,501	1,499,961	351,540	23.44%
Total Assets	<u>\$19,273,320</u>	<u>\$17,354,966</u>	<u>\$1,918,354</u>	11.05%
 <u>Liabilities and Equity</u>				
Accounts Payable	\$1,350,409	904,345	446,064	49.32%
Accrued Payroll	203,765	161,553	42,212	26.13%
Bonded Debt	7,241,920	7,241,920	(0)	-0.00%
Customer Deposits	814,083	742,607	71,476	9.63%
Fund Equity	9,663,143	8,304,541	1,358,602	16.36%
Total Liabilities & Equity	<u>\$19,273,320</u>	<u>17,354,966</u>	<u>1,918,354</u>	11.05%

**Clearwater Gas System
Monthly Financial Statement
June 1993**

<u>Results of Operations</u>	<u>Curr Month</u>	<u>Yr To Date</u>	<u>YTD Budget</u>	<u>Prior Year Yr To Date</u>
Sales of Gas	\$884,937	9,144,925	\$8,772,118	8,548,538
Less Gas Commodity Charges	(328,528)	(3,040,817)	(\$2,715,265)	(2,426,943)
Gross Margin	556,409	6,104,108	6,056,853	6,121,595
Gross Margin Percentage	62.88%	66.75%	69.05%	71.61%
Other Revenues	54,130	837,064	676,467	591,448
Total Revenues	610,538	6,941,173	6,733,320	6,713,043
Gas Demand Charges	42,490	672,033	682,415	610,660
Dispatch Division	12,847	102,689	102,946	98,986
Distribution Division	302,135	2,613,481	2,732,175	2,430,463
Service Division	98,948	825,731	798,783	740,375
Gas Sales Division	30,147	373,882	398,825	290,734
Depreciation	44,443	399,983	399,983	354,330
Interest	41,420	372,780	372,780	372,780
Total Expenses	572,430	5,360,580	5,487,907	4,898,328
Net Income (Loss) Before Dividends	38,109	1,580,593		1,814,715
Dividends Paid to General Fund	10,812	221,991		278,858
Net Change In Fund Equity	27,297	1,358,602		1,535,857
Fund Equity Beginning of Period	9,635,846	8,304,541		
Fund Equity End of Period	\$9,663,143	9,663,143		
Summary of Payments to City				
General Fund Dividend	\$10,812	221,991		
Payment in Lieu of Taxes	57,638	325,568		
General Fund Admin Overhead	46,232	416,088		
Utility Customer Support	20,547	184,919		
Garage Charges	12,958	119,098		
Other Interfund Charges	12,814	108,537		
Total Pmts to Other City Funds	\$161,001	1,376,201		

DEPARTMENT: GAS SYSTEM

PROGRAM: ADMINISTRATION/SUPPLY

CODE: 423-2064

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Recommended 93/94	% Change
	-----	-----	-----	-----	-----	-----	-----
Personal Services	0	0	0	394,650	n/a	385,710	n/a
Other Operating Expense	0	0	0	6,268,970	n/a	6,268,970	n/a
Internal Services	0	0	0	327,260	n/a	327,260	n/a
Capital	0	0	0	18,200	n/a	18,200	n/a
Debt Service	0	0	0	1,424,420	n/a	1,424,420	n/a
Transfer	0	0	0	1,518,720	n/a	1,518,720	n/a
TOTAL	0	0	0	9,952,220	n/a	9,943,280	n/a

	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
	-----	-----	-----	-----	-----	-----
PERSONAL SERVICE						
101 Salaries & Wages FT				331,830	n/a	325,190
102 Salaries & Wages PT				0	n/a	0
105 Overtime				0	n/a	0
115 Sales Commission				0	n/a	0
201 Emp Life Insurance				4,090	n/a	4,090
204 Emp Major Medical				22,050	n/a	22,050
206 Emp Social Security				8,220	n/a	8,220
207 Emp Pension				18,380	n/a	16,080
209 Workers Compensation				9,570	n/a	9,570
210 Disability Insurance				0	n/a	0
211 Unemployment Comp				350	n/a	350
215 Medical Examinations				160	n/a	160
TOTAL	0	0	0	394,650	n/a	385,710

OTHER OPERATING EXPENSE

301 Professional Services				50,000	n/a	50,000
303 Contractual Services				1,300	n/a	1,300
311 Inventory Purchase				4,977,700	n/a	4,977,700
421 Utility Charge-Phone				0	n/a	0
422 Utility Charge-Power				11,000	n/a	11,000
423 Utility Charge-Other				12,000	n/a	12,000
425 Postage				1,000	n/a	1,000
428 Interfund-Other Charge				53,950	n/a	53,950
429 Interfund-Admin Charge				572,520	n/a	572,520
434 Printing & Binding				1,000	n/a	1,000
436 Taxes				500,000	n/a	500,000
441 Rental-Equipment				5,160	n/a	5,160
451 Insurance				0	n/a	0
452 Insurance Reserve				0	n/a	0
461 Equip Svc & Rep-Office				500	n/a	500
462 Equip Svc & Rep-Other				0	n/a	0

DEPARTMENT: GAS SYSTEM

PROGRAM: ADMINISTRATION/SUPPLY

CODE: 423-2

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	X Change	Manager's Recommended
	-----	-----	-----	-----	-----	-----
OTHER OPERATING EXPENSE (Cont)						
471 Emp Exp-Uniforms				1,870	n/a	1,870
472 Emp Exp-Travel				42,440	n/a	42,440
473 Emp Exp-Auto Allowance				0	n/a	0
474 Emp Exp-Meals				300	n/a	300
480 Other Svcs or Charges				0	n/a	0
501 Office Supplies				2,500	n/a	2,500
503 Meter Repair				0	n/a	0
504 Operating Supplies				6,800	n/a	6,800
520 Computer Software				0	n/a	0
571 Memberships & Subs				21,040	n/a	21,040
573 Training & Reference				7,890	n/a	7,890
TOTAL	0	0	0	6,268,970	n/a	6,268,970
INTERNAL SERVICE						
401 Garage Service				2,060	n/a	2,060
402 Document Reproduction				3,000	n/a	3,000
403 Telephone Svc/Variable				18,900	n/a	18,900
404 Messenger Service				1,290	n/a	1,290
405 Radio Service				5,490	n/a	5,490
406 Telephone Svc/Fixed				12,770	n/a	12,770
407 Postal Service				3,600	n/a	3,600
410 Data Processing Svc				20,710	n/a	20,710
411 Building Maintenance				0	n/a	0
412 Custodial Service				2,340	n/a	2,340
413 Print Shop				3,600	n/a	3,600
416 Bldg & Maint-Variable				10,000	n/a	10,000
418 Administrative Service				243,020	n/a	243,020
420 Employee Benefits				480	n/a	480
TOTAL	0	0	0	327,260	n/a	327,260
CAPITAL						
640 Machinery & Equipment				7,200	n/a	7,200
643 Computer Software				5,000	n/a	5,000
658 Construction Materials				6,000	n/a	6,000
910 Contribution to Garage				0	n/a	0
TOTAL	0	0	0	18,200	n/a	18,200
DEBT SERVICE						
712 Principal-Other				104,270	n/a	104,270
713 Principal-Leased Equip				30,870	n/a	30,870
723 Interest-Leased Equip				4,850	n/a	4,850
921 Sinking Fund-Principal				193,980	n/a	193,980
922 Sinking Fund-Interest				1,090,450	n/a	1,090,450
TOTAL	0	0	0	1,424,420	n/a	1,424,420
TRANSFER						
902 Interfund Transfer				1,518,720	n/a	1,518,720
908 Capital Improvements				0	n/a	0
TOTAL	0	0	0	1,518,720	n/a	1,518,720
**PROGRAM TOTAL	0	0	0	9,952,220	n/a	9,943,280

DEPARTMENT: GAS SYSTEM

PROGRAM: GAS DISPATCH

CODE: 423-2069

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Recommended 93/94	% Change
Personal Services	111,915	99,340	108,420	127,700	18%	125,110	15%
Other Operating Expense	17,130	19,980	12,190	8,050	-34%	8,050	-34%
Internal Services	11,547	14,290	12,890	20,540	59%	20,540	59%
Capital	0	2,000	2,000	1,000	-50%	1,000	-50%
Debt Service	0	0	0	0	n/a	0	n/a
Transfer	0	0	0	0	n/a	0	n/a
TOTAL	140,592	135,610	135,500	157,290	16%	154,700	14%

	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
PERSONAL SERVICE						
101 Salaries & Wages FT	61,048	48,010	65,030	86,460	33%	84,730
102 Salaries & Wages PT	34,018	36,880	20,230	11,820	-42%	11,820
105 Overtime	4,724	2,600	5,430	4,870	-10%	4,870
201 Emp Life Insurance	105	110	130	170	31%	170
204 Emp Major Medical	4,362	4,200	4,880	9,800	101%	9,800
206 Emp Social Security	5,063	4,450	3,430	1,430	-58%	1,430
207 Emp Pension	2,030	2,180	8,460	6,920	-18%	6,060
209 Workers Compensation	330	740	740	5,980	708%	5,980
210 Disability Insurance	145	170	90	0	-100%	0
211 Unemployment Comp	0	0	0	170	n/a	170
215 Medical Examinations	90	0	0	80	n/a	80
TOTAL	111,915	99,340	108,420	127,700	18%	125,110

OTHER OPERATING EXPENSE

301 Professional Services	0	0	0	0	n/a	0
303 Contractual Services	1,680	0	390	0	-100%	0
422 Utility Charge-Power	12,337	12,000	9,780	5,000	-49%	5,000
423 Utility Charge-Other	2,242	5,000	0	1,000	n/a	1,000
425 Postage	0	0	0	50	n/a	50
441 Rental-Equipment	76	150	0	0	n/a	0
451 Insurance	0	0	0	0	n/a	0
452 Insurance Reserve	0	0	0	0	n/a	0
461 Equip Svc & Rep-Office	97	500	350	150	-57%	150
462 Equip Svc & Rep-Other	0	500	250	0	-100%	0

DEPARTMENT: GAS SYSTEM

PROGRAM: GAS DISPATCH

CODE: 423-2069

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
OTHER OPERATING EXPENSE (Cont)						
471 Emp Exp-Uniforms	0	0	0	0	n/a	0
472 Emp Exp-Travel	0	0	0	0	n/a	0
473 Emp Exp-Auto Allowance	0	0	0	0	n/a	0
474 Emp Exp-Meals	10	30	20	0	-100%	0
480 Other Svcs or Charges	0	0	0	0	n/a	0
501 Office Supplies	0	100	100	100	0%	100
503 Meter Repair	0	0	0	0	n/a	0
504 Operating Supplies	688	1,450	1,050	1,500	43%	1,500
520 Computer Software	0	0	0	0	n/a	0
571 Memberships & Subs	0	250	250	250	0%	250
573 Training & Reference	0	0	0	0	n/a	0
TOTAL	17,130	19,980	12,190	8,050	-34%	8,050
INTERNAL SERVICE						
401 Garage Service	0	0	0	0	n/a	0
402 Document Reproduction	0	50	50	200	300%	200
403 Telephone Svc/Variable	3,029	4,200	1,930	1,840	-5%	1,840
404 Messenger Service	0	0	0	0	n/a	0
405 Radio Service	3,736	3,740	3,740	10,830	190%	10,830
406 Telephone Svc/Fixed	832	480	1,400	1,060	-24%	1,060
407 Postal Service	0	100	50	0	-100%	0
408 Building Service	0	0	0	0	n/a	0
409 Insurance Admin	440	1,080	1,080	0	-100%	0
410 Data Processing Svc	3,510	3,630	3,630	5,170	42%	5,170
411 Building Maintenance	0	0	0	0	n/a	0
412 Custodial Service	0	0	0	0	n/a	0
413 Print Shop	0	100	100	200	100%	200
414 Purchasing Service	0	0	0	0	n/a	0
415 Garage-Variable	0	0	0	0	n/a	0
416 Bldg & Maint-Variable	0	600	600	1,000	67%	1,000
418 Administrative Service	0	0	0	0	n/a	0
420 Employee Benefits	0	310	310	240	-23%	240
TOTAL	11,547	14,290	12,890	20,540	59%	20,540
CAPITAL						
640 Machinery & Equipment	0	0	0	0	n/a	0
642 Furniture & Equipment	0	0	0	0	n/a	0
658 Construction Materials	0	2,000	2,000	1,000	-50%	1,000
910 Contribution to Garage	0	0	0	0	n/a	0
TOTAL	0	2,000	2,000	1,000	-50%	1,000
**PROGRAM TOTAL	140,592	135,610	135,500	157,290	16%	154,700

DEPARTMENT: GAS SYSTEM

PROGRAM: GAS DISTRIBUTION

CODE:423-2065 & 2066

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Recommended 93/94	% Change
	-----	-----	-----	-----	-----	-----	-----
Personal Services	1,249,601	1,297,610	1,304,870	1,289,110	-1%	1,259,040	-4%
Other Operating Expense	5,210,979	5,524,370	5,773,620	241,440	-96%	241,440	-96%
Internal Services	491,403	518,620	525,220	266,830	-49%	266,830	-49%
Capital	40,726	57,600	61,190	26,500	-57%	26,500	-57%
Debt Service	516,901	524,830	530,170	4,570	-99%	4,570	-99%
Transfer	2,166,871	1,687,380	1,987,380	521,000	-74%	521,000	-74%
TOTAL	9,676,481	9,610,410	10,182,450	2,349,450	-77%	2,319,380	-77%

	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
	-----	-----	-----	-----	-----	-----
PERSONAL SERVICE						
101 Salaries & Wages FT	999,740	1,046,670	1,044,700	1,020,940	-2%	1,000,520
102 Salaries & Wages PT	2,842	0	4,880	0	-100%	0
105 Overtime	33,724	52,500	52,500	43,400	-17%	43,400
115 Sales Commission	0	0	0	0	n/a	0
201 Emp Life Insurance	5,454	4,800	7,250	5,490	-24%	5,490
204 Emp Major Medical	73,487	75,600	75,600	88,200	17%	88,200
206 Emp Social Security	11,276	11,960	13,390	8,600	-36%	8,600
207 Emp Pension	81,130	74,760	78,940	77,200	-2%	67,550
209 Workers Compensation	39,820	26,260	26,260	43,080	64%	43,080
210 Disability Insurance	813	460	500	1,000	100%	1,000
211 Unemployment Comp	0	3,000	0	0	n/a	0
215 Medical Examinations	1,315	1,600	850	1,200	41%	1,200
TOTAL	1,249,601	1,297,610	1,304,870	1,289,110	-1%	1,259,040

OTHER OPERATING EXPENSE						
301 Professional Services	43,621	45,000	132,680	0	-100%	0
303 Contractual Services	5,700	6,220	19,820	98,000	394%	98,000
311 Inventory Purchases	3,750,751	4,290,000	4,224,820	0	-100%	0
421 Utility Charge-Phone	12,661	9,000	14,380	0	-100%	0
422 Utility Charge-Power	11,815	12,000	10,020	0	-100%	0
423 Utility Charge-Other	17,465	10,000	12,200	0	-100%	0
424 Utility Charge-Other	0	0	0	0	n/a	0
425 Postage	218	200	570	0	-100%	0
427 Interfund-Other Fund	0	0	0	0	n/a	0
428 Interfund-Other Charge	35,790	27,290	27,290	0	-100%	0
429 Interfund-Admin Charge	519,020	554,850	554,850	0	-100%	0
430 Document Recording	0	0	0	0	n/a	0
431 Advertising	93	6,000	0	0	n/a	0
432 Promotional Activity	-646	0	0	0	n/a	0
433 Freight Charges	0	0	0	0	n/a	0
434 Printing & Binding	0	0	0	0	n/a	0

	Actual 91/92 -----	Budget 92/93 -----	Adjusted 92/93 -----	Requested 93/94 -----	X Change -----	Manager's Recommended -----
OTHER OPERATING EXPENSE (Cont'd)						
436 Taxes	410,533	300,000	510,460	0	-100%	0
441 Rental-Equipment	3,993	3,000	3,000	4,000	33%	4,000
451 Insurance	94,320	106,670	106,670	44,150	-59%	44,150
452 Insurance Reserve	147,370	0	0	0	n/a	0
461 Equip Svc & Rep-Office	1,012	1,000	1,000	2,200	120%	2,200
462 Equip Svc & Rep-Other	18,685	6,000	4,000	2,000	-50%	2,000
471 Emp Exp-Uniforms	8,905	9,300	9,300	7,430	-20%	7,430
472 Emp Exp-Travel	27,598	15,880	25,340	5,260	-79%	5,260
473 Emp Exp-Auto Allowance	146	0	150	0	-100%	0
474 Emp Exp-Meals	423	300	300	600	100%	600
480 Other Svcs or Charges	1,911	0	600	0	-100%	0
501 Office Supplies	4,256	3,500	3,000	500	-83%	500
503 Meter Repair-	4,818	12,000	6,000	8,000	33%	8,000
504 Operating Supplies	70,088	75,000	75,000	68,200	-9%	68,200
520 Computer Software	2,154	10,000	8,000	0	-100%	0
571 Memberships & Subs	11,060	16,430	16,430	350	-98%	350
573 Training & Reference	7,219	4,730	7,740	750	-90%	750
TOTAL	5,210,979	5,524,370	5,773,620	241,440	-96%	241,440
INTERNAL SERVICE						
401 Garage Service	167,453	153,890	156,890	147,780	-6%	147,780
402 Document Reproduction	751	500	5,000	0	-100%	0
403 Telephone Service	1,862	3,000	3,000	0	-100%	0
404 Messenger Service	1,340	1,280	1,280	0	-100%	0
405 Radio Service	38,481	38,270	38,270	35,700	-7%	35,700
406 Switchboard Service	6,251	5,780	5,780	0	-100%	0
407 Postal Service	0	300	1,500	0	-100%	0
408 Building Servie	0	0	0	0	n/a	0
409 Insurance Admin	9,920	6,960	6,960	6,220	-11%	6,220
410 Data Processing Svc	4,280	4,420	4,420	31,070	603%	31,070
411 Building Maintenance	6,214	22,770	22,770	9,640	-58%	9,640
412 Custodial Service	4,570	3,380	3,380	0	-100%	0
413 Print Shop	982	1,000	2,500	0	-100%	0
414 Purchasing Service	8,150	11,970	11,970	9,380	-22%	9,380
415 Garage-Variable	204	13,600	10,000	25,200	152%	25,200
416 Bldg & Maint-Variable	3,995	3,000	3,000	0	-100%	0
418 Administrative Service	236,950	246,560	246,560	0	-100%	0
420 Employee Benefits	0	1,940	1,940	1,840	-5%	1,840
TOTAL	491,403	518,620	525,220	266,830	-49%	266,830
CAPITAL						
640 Machinery & Equipment	25,962	46,100	46,100	12,500	-73%	12,500
641 Motorized Equipment	2,746	0	0	0	n/a	0
642 Furniture & Equipment	6,254	4,500	4,500	0	-100%	0
643 Computer Software	0	0	1,000	11,500	1050%	11,500
658 Construction Materials	4,294	2,000	4,000	0	-100%	0
910 Contribution to Garage	1,470	5,000	5,590	2,500	-55%	2,500
TOTAL	40,726	57,600	61,190	26,500	-57%	26,500

DEPARTMENT: GAS SYSTEM

PROGRAM: GAS DISTRIBUTION

CODE: 423-2065 & 2066

	Actual 91/92 -----	Budget 92/93 -----	Adjusted 92/93 -----	Requested 93/94 -----	% Change -----	Manager's Recommended -----
DEBT SERVICE						
713 Principal-Leased Equip	9,153	28,560	28,560	3,550	-88%	3,550
723 Interest-Leased Equip	845	8,250	8,250	1,020	-88%	1,020
921 Sinking Fund-Principal	9,903	0	5,340	0	-100%	0
922 Sinking Fund-Interest	497,000	488,020	488,020	0	-100%	0
TOTAL	516,901	524,830	530,170	4,570	-99%	4,570
TRANSFER						
902 Interfund Transfer	792560	658,380	658,380	0	-100%	0
908 Capital Improvements	1,174,311	819,000	1,119,000	300,000	-73%	300,000
931 Renewal & Replacement	200,000	210,000	210,000	221,000	5%	221,000
TOTAL	2,166,871	1,687,380	1,987,380	521,000	-74%	521,000
**PROGRAM TOTAL	9,676,481	9,610,410	10,182,450	2,349,450	-77%	2,319,380

DEPARTMENT: GAS SYSTEM

PROGRAM: GAS SERVICE

CODE: 423-2067 & 2068

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Recommended 93/94	% Change
Personal Services	724,282	770,890	752,650	848,990	13%	829,580	10%
Other Operating Expense	160,974	136,900	162,770	176,970	9%	176,970	9%
Internal Services	102,321	92,460	100,970	163,780	62%	163,780	62%
Capital	7,546	4,100	4,090	9,700	137%	9,700	137%
Debt Service	1,725	9,210	0	14,850	n/a	14,850	n/a
Transfer	0	0	9,150	0	-100%	0	-100%
TOTAL	996,848	1,013,560	1,029,630	1,214,290	18%	1,194,880	16%

	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
PERSONAL SERVICE						
101 Salaries & Wages FT	572,839	613,700	597,800	645,270	8%	632,360
105 Overtime	40,936	39,300	39,240	53,370	36%	53,370
201 Emp Life Insurance	3,223	2,450	3,430	2,760	-20%	2,760
204 Emp Major Medical	43,515	48,300	43,310	61,260	41%	61,260
206 Emp Social Security	5,305	6,090	5,820	5,400	-7%	5,400
207 Emp Pension	47,306	45,730	48,060	49,620	3%	43,120
209 Workers Compensation	9,890	13,920	13,920	29,910	115%	29,910
210 Disability Insurance	403	400	420	420	0%	420
215 Medical Examinations	865	1,000	650	980	51%	980
TOTAL	724,282	770,890	752,650	848,990	13%	829,580

OTHER OPERATING EXPENSE

303 Contractual Services	483	0	7,170	0	-100%	0
311 Inventory Purchases	109,220	100,000	99,020	90,000	-9%	90,000
421 Utility Charge-Phone	0	0	0	0	n/a	0
422 Utility Charge-Power	6,363	5,500	5,150	5,000	-3%	5,000
423 Utility Charge-Other	0	0	0	0	n/a	0
425 Postage	148	200	100	0	-100%	0
431 Advertising	0	0	0	0	n/a	0
434 Printing & Binding	0	0	0	0	n/a	0
441 Rental Equipment	996	500	660	1,000	52%	1,000
451 Insurance	0	0	0	44,140	n/a	44,140
461 Equip Svc & Rep-Office	265	300	100	200	100%	200
462 Equip Svc & Rep-Other	4,054	1,000	100	0	-100%	0
471 Emp Exp-Uniforms	5,487	6,100	3,600	5,150	43%	5,150
472 Emp Exp-Travel	3,277	2,500	8,090	4,400	-46%	4,400
473 Auto Allowance	0	0	40	0	-100%	0
474 Emp Exp-Meals	351	300	220	350	59%	350
480 Other Services	195	0	11,300	0	-100%	0
501 Office Supplies	120	500	250	500	100%	500

DEPARTMENT: GAS SYSTEM

PROGRAM: GAS SERVICE

CODE: 423-2067 & 2068

	Actual 91/92 -----	Budget 92/93 -----	Adjusted 92/93 -----	Requested 93/94 -----	% Change -----	Manager's Recommended -----
OTHER OPERATING EXPENSE (Continued)						
504 Operating Supplies	28,663	20,000	26,010	25,000	-4%	25,000
571 Membership/Subs	65	0	80	0	-100%	0
573 Training & Reference	1,285	0	880	1,230	40%	1,230
TOTAL	160,974	136,900	162,770	176,970	9%	176,970
INTERNAL SERVICE						
401 Garage Service	72,162	59,450	69,790	70,020	0%	70,020
402 Document Reproduction	215	300	300	300	0%	300
403 Telephone Service	170	400	200	400	100%	400
405 Radio Service	0	0	0	23,320	n/a	23,320
406 Switchboard Service	1,948	3,370	3,370	2,000	-41%	2,000
407 Postal Service	0	50	50	50	0%	50
409 Insurance Admin	4,460	4,510	4,510	6,220	38%	6,220
410 Data Processing Svc	9,000	9,300	9,300	5,180	-44%	5,180
411 Buidln & Maintenance	0	0	0	16,140	n/a	16,140
412 Custodial Service	5,808	4,300	4,300	3,010	-30%	3,010
413 Print Shop	969	1,500	1,480	1,500	1%	1,500
414 Purchasing Service	3,410	0	0	9,380	n/a	9,380
415 Garage-Variable	4,179	5,000	3,400	20,000	488%	20,000
416 Bldg & Maint-Variable	0	3,000	2,990	5,000	67%	5,000
420 Employee Benefits	0	1,280	1,280	1,260	-2%	1,260
TOTAL	102,321	92,460	100,970	163,780	62%	163,780
CAPITAL						
640 Machinery & Equipment	7,350	2,100	2,100	4,700	124%	4,700
642 Furniture & Equipment	0	0	0	0	n/a	0
643 Computer So	0	0	0	1,000	n/a	1,000
658 Construction Materials	196	2,000	1,990	4,000	101%	4,000
910 Contribution to Garage	0	0	0	0	n/a	0
TOTAL	7,546	4,100	4,090	9,700	137%	9,700
DEBT SERVICE						
713 Principal-Leased Equip	1,565	7,150	7,130	12,270	72%	12,270
723 Interest-Leased Equip	160	2,060	2,020	2,580	28%	2,580
TOTAL	1,725	9,210	9,150	14,850	62%	14,850
**PROGRAM TOTAL	996,848	1,013,560	1,029,630	1,214,290	18%	1,196,880

DEPARTMENT: GAS SYSTEM

PROGRAM: SALES

CODE: 423-2063

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Recommended 93/94	% Change
Personal Services	131,735	146,670	146,400	241,930	65%	238,870	63%
Other Operating Expense	238,333	284,450	277,850	545,040	96%	545,040	96%
Internal Services	2,919	12,320	12,320	15,040	22%	15,040	22%
Capital	100	1,000	1,000	6,200	520%	6,200	520%
Debt Service	0	0	0	0	n/a	0	n/a
Transfer	0	0	0	0	n/a	0	n/a
TOTAL	373,087	444,440	437,570	808,210	85%	805,150	84%

	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
PERSONAL SERVICE						
101 Salaries & Wages FT	78,587	94,720	100,600	153,130	52%	150,070
102 Salaries & Wages PT	0	0	610	0	-100%	0
105 Overtime	0	0	0	0	n/a	0
115 Sales Commission	33,316	32,000	25,500	50,000	96%	50,000
201 Emp Life Insurance	363	490	630	910	44%	910
204 Emp Major Medical	8,412	8,400	8,000	17,150	114%	17,150
206 Emp Social Security	9,259	9,770	9,770	11,540	18%	11,540
207 Emp Pension	0	0	0	0	n/a	0
209 Workers Compensation	1,000	490	490	8,380	1610%	8,380
210 Disability Insurance	798	800	800	820	3%	820
211 Unemployment Comp	0	0	0	0	n/a	0
215 Medical Examinations	0	0	0	0	n/a	0
TOTAL	131,735	146,670	146,400	241,930	65%	238,870

OTHER OPERATING EXPENSE

301 Professional Services	0	0	0	0	n/a	0
303 Contractual Services	34,031	45,000	36,000	50,200	39%	50,200
311 Inventory Purchases	101,876	119,000	100,000	190,000	90%	190,000
421 Utility Charge-Phone	0	0	0	0	n/a	0
422 Utility Charge-Power	0	2,000	2,000	7,600	280%	7,600
423 Utility Charge-City	0	0	0	0	n/a	0
424 Utility Charge-Other	0	0	0	5,200	n/a	5,200
425 Postage	253	500	500	750	50%	750
428 Interfund-Other Charge	0	0	0	0	n/a	0
429 Interfund-Admin Charge	0	0	0	0	n/a	0
430 Document Recording	830	1,000	600	1,000	67%	1,000
431 Advertising	65,719	50,000	86,000	120,000	40%	120,000
432 Promotional Activity	21,609	50,000	37,000	120,000	224%	120,000
433 Freight Charges	130	0	0	0	n/a	0
441 Rental-Equipment	359	150	150	1,200	700%	1,200
442 Rental-Building	0	0	0	25,000		25,000
451 Insurance	0	0	0	0	n/a	0
452 Insurance Reserve	0	0	0	0	n/a	0
461 Equip Svc & Rep-Office	0	100	100	100	0%	100
462 Equip Svc & Rep-Other	100	0	0	0	n/a	0

DEPARTMENT: GAS SYSTEM

PROGRAM: SALES

CODE: 423-2063

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
OTHER OPERATING EXPENSE (Cont)						
471 Emp Exp-Uniforms	0	0	0	0	n/a	0
472 Emp Exp-Travel	2,022	1,620	1,620	4,170	157%	4,170
473 Emp Exp-Auto Allowance	7,635	10,580	9,580	13,220	38%	13,220
474 Emp Exp-Meals	109	70	0	0	n/a	0
480 Other Svcs or Charges	647	1,000	1,000	1,500	50%	1,500
501 Office Supplies	272	700	500	700	40%	700
503 Meter Repair	0	0	0	0	n/a	0
504 Operating Supplies	395	800	500	800	60%	800
520 Computer Software	0	0	370	0	-100%	0
571 Memberships & Sube	1,270	900	900	1,270	41%	1,270
573 Training & Reference	1,076	1,030	1,030	2,330	126%	2,330
TOTAL	238,333	284,450	277,850	545,040	96%	545,040
INTERNAL SERVICE						
401 Garage Service	0	0	0	0	n/a	0
402 Document Reproduction	180	200	200	200	0%	200
403 Telephone Svc/Variable	0	1,500	1,500	750	-50%	750
404 Messenger Service	0	0	0	0	n/a	0
405 Radio Service	0	0	0	4,120	n/a	4,120
406 Telephone Svc/Fixed	1,666	2,520	2,520	2,230	-12%	2,230
407 Postal Service	0	300	300	300	0%	300
408 Building Service	27	0	0	0	n/a	0
409 Insurance Admin	0	780	780	0	-100%	0
410 Data Processing Svc	0	2,800	2,800	5,180	85%	5,180
411 Building Maintenance	0	0	0	0	n/a	0
412 Custodial Service	0	0	0	0	n/a	0
413 Print Shop	1,046	1,000	1,000	1,000	0%	1,000
414 Purchasing Service	0	0	0	0	n/a	0
415 Garage-Variable	0	0	0	0	n/a	0
416 Bldg & Maint-Variable	0	3,000	3,000	1,000	-67%	1,000
418 Administrative Service	0	0	0	0	n/a	0
420 Employee Benefits	0	220	220	260	18%	260
TOTAL	2,919	12,320	12,320	15,040	22%	15,040
CAPITAL						
640 Machinery & Equipment	0	0	0	2,200	n/a	2,200
642 Furniture & Equipment	100	0	0	0	n/a	0
643 Computer Software	0	0	0	1,000	n/a	1,000
658 Construction Materials	0	1,000	1,000	3,000	200%	3,000
910 Contribution to Garage	0	0	0	0	n/a	0
TOTAL	100	1,000	1,000	6,200	520%	6,200
DEBT SERVICE						
713 Principal-Leased Equip	0	0	0	0	n/a	0
723 Interest-Leased Equip	0	0	0	0	n/a	0
921 Sinking Fund-Principal	0	0	0	0	n/a	0
922 Sinking Fund-Interest	0	0	0	0	n/a	0
TOTAL	0	0	0	0	n/a	0
TRANSFER						
902 Interfund Transfer	0	0	0	0	n/a	0
908 Capital Improvements	0	0	0	0	n/a	0
931 Renewal & Replacement	0	0	0	0	n/a	0
TOTAL	0	0	0	0	n/a	0
**PROGRAM TOTAL	373,087	444,440	437,570	808,210	85%	805,150

DEPARTMENT: GAS SYSTEM

PROGRAM: PASCO GAS EXPANSTION

CODE: 423-2072

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Recommended 93/94	% Change
Personal Services	0	0	0	215,990	n/a	212,100	n/a
Other Operating Expense	0	0	0	163,360	n/a	163,360	n/a
Internal Services	0	0	0	14,970	n/a	14,970	n/a
Capital	0	0	0	7,700	n/a	7,700	n/a
Debt Service	0	0	0	0	n/a	0	n/a
Transfer	0	0	0	0	n/a	0	n/a
TOTAL	0	0	0	402,020	n/a	398,130	n/a

	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
PERSONAL SERVICE						
101 Salaries & Wages FT				141,420	n/a	138,590
102 Salaries & Wages PT				0	n/a	0
105 Overtime				6,000	n/a	6,000
115 Sales Commission				30,000	n/a	30,000
201 Emp Life Insurance				320	n/a	320
204 Emp Major Medical				17,150	n/a	17,150
206 Emp Social Security				4,250	n/a	4,250
207 Emp Pension				8,480	n/a	7,420
209 Workers Compensation				8,370	n/a	8,370
210 Disability Insurance				0	n/a	0
211 Unemployment Comp				0	n/a	0
215 Medical Examinations				0	n/a	0
TOTAL	0	0	0	215,990	n/a	212,100

OTHER OPERATING EXPENSE

301 Professional Services				70,000	n/a	70,000
303 Contractual Services				1,500	n/a	1,500
311 Inventory Purchases				0	n/a	0
421 Utility Charge-Phone				0	n/a	0
422 Utility Charge-Power				6,000	n/a	6,000
423 Utility Charge-City				2,400	n/a	2,400
424 Utility Charge-Other				1,000	n/a	1,000
425 Postage				250	n/a	250
431 Advertising				0	n/a	0
432 Promotional Activity				0	n/a	0
433 Freight Charges				0	n/a	0
434 Printing & Binding				2,000	n/a	2,000
436 Taxes				0	n/a	0
441 Rental-Equipment				1,200	n/a	1,200
442 Rental-Building				40,000	n/a	40,000
451 Insurance				0	n/a	0
452 Insurance Reserve				0	n/a	0
461 Equip Svc & Rep-Office				300	n/a	300
462 Equip Svc & Rep-Other				0	n/a	0
467 Repair/Maint-Structural Fac				15,000	n/a	15,000

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
OTHER OPERATING EXPENSE (Cont)	-----	-----	-----	-----	-----	-----
471 Emp Exp-Uniforms				670	n/a	670
472 Emp Exp-Travel				0	n/a	0
473 Emp Exp-Auto Allowance				6,290	n/a	6,290
474 Emp Exp-Meals				200	n/a	200
480 Other Svcs or Charges				0	n/a	0
501 Office Supplies				1,000	n/a	1,000
503 Meter Repair				0	n/a	0
504 Operating Supplies				15,200	n/a	15,200
520 Computer Software				0	n/a	0
571 Memberships & Subs				350	n/a	350
573 Training & Reference				0	n/a	0
TOTAL	0	0	0	163,360	n/a	163,360
INTERNAL SERVICE						
401 Garage Service				0	n/a	0
402 Document Reproduction				1,000	n/a	1,000
403 Telephone Svc/Variable				720	n/a	720
404 Messenger Service				0	n/a	0
405 Radio Service				0	n/a	0
406 Telephone Svc/Fixed				0	n/a	0
407 Postal Service				300	n/a	300
408 Building Service				0	n/a	0
409 Insurance Admin				0	n/a	0
410 Data Processing Svc				0	n/a	0
411 Building Maintenance				0	n/a	0
412 Custodial Service				0	n/a	0
413 Print Shop				2,000	n/a	2,000
414 Purchasing Service				0	n/a	0
415 Garage-Variable				10,950	n/a	10,950
416 Bldg & Maint-Variable				0	n/a	0
418 Administrative Service				0	n/a	0
420 Employee Benefits				0	n/a	0
TOTAL	0	0	0	14,970	n/a	14,970
CAPITAL						
640 Machinery & Equipment				7,200	n/a	7,200
642 Furniture & Equipment				0	n/a	0
643 Computer Software				500	n/a	500
658 Construction Materials				0	n/a	0
910 Contribution to Garage				0	n/a	0
TOTAL	0	0	0	7,700	n/a	7,700
DEBT SERVICE						
713 Principal-Leased Equip				0	n/a	0
723 Interest-Leased Equip				0	n/a	0
921 Sinking Fund-Principal				0	n/a	0
922 Sinking Fund-Interest				0	n/a	0
TOTAL	0	0	0	0	n/a	0
TRANSFER						
902 Interfund Transfer				0	n/a	0
908 Capital Improvements				0	n/a	0
931 Renewal & Replacement				0	n/a	0
TOTAL	0	0	0	0	n/a	0
**PROGRAM TOTAL	0	0	0	402,020	n/a	398,130

DEPARTMENT: GAS SYSTEM

PROGRAM: GAS MARKETING & PLANNING

CODE: 423-2071

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Recommended 93/94	% Change
Personal Services	0	0	0	113,710	n/a	110,910	n/a
Other Operating Expense	0	0	0	67,550	n/a	67,550	n/a
Internal Services	0	0	0	5,200	n/a	5,200	n/a
Capital	0	0	0	9,300	n/a	9,300	n/a
Debt Service	0	0	0	0	n/a	0	n/a
Transfer	0	0	0	0	n/a	0	n/a
TOTAL	0	0	0	195,760	n/a	192,960	n/a

	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
PERSONAL SERVICE						
101 Salaries & Wages FT				93,380	n/a	91,510
102 Salaries & Wages PT				0	n/a	0
105 Overtime				0	n/a	0
115 Sales Commission				0	n/a	0
201 Emp Life Insurance				560	n/a	560
204 Emp Major Medical				7,350	n/a	7,350
206 Emp Social Security				1,360	n/a	1,360
207 Emp Pension				7,470	n/a	6,540
209 Workers Compensation				3,590	n/a	3,590
210 Disability Insurance				0	n/a	0
211 Unemployment Comp				0	n/a	0
215 Medical Examinations				0	n/a	0
TOTAL	0	0	0	113,710	n/a	110,910

OTHER OPERATING EXPENSE

301 Professional Services				0	n/a	0
303 Contractual Services				0	n/a	0
311 Inventory Purchases				0	n/a	0
421 Utility Charge-Phone				0	n/a	0
422 Utility Charge-Power				0	n/a	0
423 Utility Charge-Other				0	n/a	0
425 Postage				300	n/a	300
428 Interfund-Other Charge				0	n/a	0
429 Interfund-Admin Charge				0	n/a	0
430 Document Recording				0	n/a	0
431 Advertising				20,000	n/a	20,000
432 Promotional Activity				10,000	n/a	10,000
433 Freight Charges				0	n/a	0
434 Printing & Binding				0	n/a	0
436 Taxes				0	n/a	0
441 Rental-Equipment				0	n/a	0
451 Insurance				0	n/a	0
452 Insurance Reserve				0	n/a	0
461 Equip Svc & Rep-Office				0	n/a	0
462 Equip Svc & Rep-Other				0	n/a	0

DEPARTMENT: GAS SYSTEM

PROGRAM: GAS MARKETING & PLANNING

CODE: 423-2071

MAJOR CLASSIFICATION	Actual 91/92	Budget 92/93	Adjusted 92/93	Requested 93/94	% Change	Manager's Recommended
OTHER OPERATING EXPENSE (Cont)						
471 Emp Exp-Uniforms				0	n/a	0
472 Emp Exp-Travel				3,900	n/a	3,900
473 Emp Exp-Auto Allowance				3,000	n/a	3,000
474 Emp Exp-Meals				300	n/a	300
480 Other Svcs or Charges				0	n/a	0
501 Office Supplies				1,000	n/a	1,000
503 Meter Repair				0	n/a	0
504 Operating Supplies				27,000	n/a	27,000
520 Computer Software				0	n/a	0
571 Memberships & Subs				250	n/a	250
573 Training & Reference				1,800	n/a	1,800
TOTAL	0	0	0	67,550	n/a	67,550
INTERNAL SERVICE						
401 Garage Service				0	n/a	0
402 Document Reproduction				200	n/a	200
403 Telephone Svc/Variable				0	n/a	0
404 Messenger Service				0	n/a	0
405 Radio Service				0	n/a	0
406 Telephone Svc/Fixed				0	n/a	0
407 Postal Service				0	n/a	0
408 Building Service				0	n/a	0
409 Insurance Admin				0	n/a	0
410 Data Processing Svc				0	n/a	0
411 Building Maintenance				0	n/a	0
412 Custodial Service				0	n/a	0
413 Print Shop				2,000	n/a	2,000
414 Purchasing Service				0	n/a	0
415 Garage-Variable				3,000	n/a	3,000
416 Bldg & Maint-Variable				0	n/a	0
418 Administrative Service				0	n/a	0
420 Employee Benefits				0	n/a	0
TOTAL	0	0	0	5,200	n/a	5,200
CAPITAL						
640 Machinery & Equipment				8,300	n/a	8,300
642 Furniture & Equipment				0	n/a	0
643 Computer Software				1,000	n/a	1,000
658 Construction Materials				0	n/a	0
910 Contribution to Garage				0	n/a	0
TOTAL	0	0	0	9,300	n/a	9,300
DEBT SERVICE						
713 Principal-Leased Equip				0	n/a	0
723 Interest-Leased Equip				0	n/a	0
921 Sinking Fund-Principal				0	n/a	0
922 Sinking Fund-Interest				0	n/a	0
TOTAL	0	0	0	0	n/a	0
TRANSFER						
902 Interfund Transfer				0	n/a	0
908 Capital Improvements				0	n/a	0
931 Renewal & Replacement				0	n/a	0
TOTAL	0	0	0	0	n/a	0
**PROGRAM TOTAL	0	0	0	195,760	n/a	192,960

GAS FUND
(423)

CITY OF CLEARWATER
PROJECTED REVENUE - NEXT BUDGET YEAR 93/94

DEPARTMENT: GAS SYSTEM

<u>CODE</u>	<u>REVENUE SOURCE TITLE</u>	<u>90/91</u> <u>ACTUAL</u>	<u>91/92</u> <u>ACTUAL</u>	<u>92/93</u> <u>BUDGET</u>	<u>REVISED</u> <u>92/93</u> <u>BUDGET</u>	<u>93/94</u> <u>ESTIMATED</u> <u>BUDGET</u>	<u>% OF</u> <u>CHANGE</u>	<u>PROGRAM</u>
0000-343211	Gas Sales	8975037	10643806	10400000	11018890	12180000	10.6%	Admin. & Supply
0000-343212	Gas Service Charge	108908	57125	110000	66570	147800	112.4%	Service
0000-343213	Franchise Fee	123377	162919	140000	172120	180000	4.6%	Admin. & Supply
0000-343214	Gas Transportation Service	33719	2111	10000	0	0	0.0%	Admin. & Supply
0000-343216	Appliance Sales	140805	133547	170000	144270	250000	73.3%	Sales
0000-343221	Materials & Service Charges	40946	0	152500	107520	342200	218.3%	Service
0000-343222	Inspection Fees	903	3381	1000	6580	3000	-54.4%	Distribution
0000-343223	Other Gas Revenue/LP Gas	22522	19243	90000	41870	130000	210.5%	Admin. & Supply
0000-343224	Finance Charges/Gas Appliances	7152	1559	9000	3690	4000	0.3%	Sales
0000-343225	Installation Charges	142120	210739	225520	169080	700000	314.1%	Installation
0000-343226	Recording Fees/Gas Appliances	860	998	1000	1440	1000	-30.6%	Sales
0000-343251	Other Gas Appliance Revenue	7355	4983	9000	680	5000	635.3%	Sales
0000-354104	Late Payment Fees	53010	64416	60000	60200	70000	16.3%	Admin. & Supply
0000-369415	Capitalized Labor/Transfer CIP	426364	404136	470000	450000	650000	44.4%	Distribution
0000-369902	Prior Working Capital		371810	224290	224290	1010000	350.3%	Admin. & Supply
0000-361101	Interest on Investments	207657	166507	200000	200000	570000	185.0%	Admin. & Supply
0000-361102	Interest on Earnings - Other	0	24213	0	0	0	0.0%	
0000-369010	Svc. Charge - Public Service	0	14410	13670	0	16000	100.0%	Dispatch
0000-369410	Svc. Charge - General Fund	0	1290	0	0	0	0.0%	
0000-369421	Svc. Charge - Water Division	0	69080	60120	73790	76000	3.0%	Dispatch
0000-369424	Svc. Charge - Solid Waste	0	6260	5470	5470	0	-100.0%	
	TOTALS	10288535	12362553	12360570	12747540	16335000	28.1%	

<u>SUBTOTALS BY PROGRAM</u>	<u>93/94</u> <u>ESTIMATED</u> <u>BUDGET</u>
Administration & Supply	14140000
Dispatch	92000
Distribution	653000
Service	1190000
Sales	260000
TOTAL	16335000

ACCOUNTING TREATMENT

Please note that the City Budget is done on a "Cash Basis" which includes Capital Improvement Expenditures and Debt Principal Repayment. We also include a revenue item to offset the Dividend Payment as this is paid from Prior Year Working Capital.

The Financial Income Statements are done on an "Accrual Basis" which does not include the above listed items but includes Depreciation expense on capital assets instead. This is consistent with the City's "Proforma" fund statements and typical business accounting. This provides the basis for the Gas System's Net Income, one-half of which currently is paid as a Dividend to the City in the second fiscal year after it is earned.

**CLEARWATER GAS SYSTEM
OVERVIEW DATA**

		<u>Remarks/Qualifiers</u>
Service Area in Square Miles	135	North Pinellas Co. Only
Population	410,000	Per PEDC Data
Dwelling Units	188,000	@ 2.18 Occupants/Dwelling
Customers - Total NG+LP	11,677	June 1993 Billings
Residential Firm NG	9,588	"
Commercial Firm NG	1,944	"
Interruptible NG	12	"
Liquid Propane NG	83	"(71 res/12 com)
% of Dwelling Units Using CGS Gas	5.1%	June, 1993 Billing Month
Miles of Natural Gas Main	472.15	June 30, 1993 Actual
Natural Gas Customers/Mile of Main	24.7	June 30, 1993 Actual
% of Residential Firm Customers:		
With Water Heating	75%	Estimated
With Gas Cooking	40%	"
With Gas Heating	30%	"
Annual Heating Degree Days	532	10 Yr. avg. NOAA Data @ Tampa
Annual Cooling Degree Days	3,613	"
Peak Contract Demand (MMBtu/Day)	10,219	November 1992 - April 1993
All Time Peak Load (MMBtu/Day)	10,661	January 21, 1985 Actual
Annual Peak Load (MMBtu/Day)	8,885	FY 91/92 (January 16, 1992)
"	7,834	FY 92/93 (February 19, 1993)
Annual Gas Sales (Therms)	15,117,789	FY 91/92 Actual
Annual Load Factor vs. Peak	46.5%	FY 91/92 Actual
Annual Load Factor vs. Contract	53.9%	FY 91/92 Actual
Average Monthly Load Factor	79.6%	FY 91/92 Actual
Avg. Single Family Home Consumption (Therms)	273	FY 91/92 Actual
Annual Gas Revenues	\$11.34M	FY 91/92 Actual
Employees (Full-time Equivalent)	67.7	FY 92/93 Budget Authorized
Customers Served/Employee	172.5	June 1993 Billings

OVERVIEW OF CLEARWATER GAS SYSTEM

(A DIVISION OF THE CITY OF CLEARWATER)

KEY SERVICE

CHARACTERISTICS & DATA

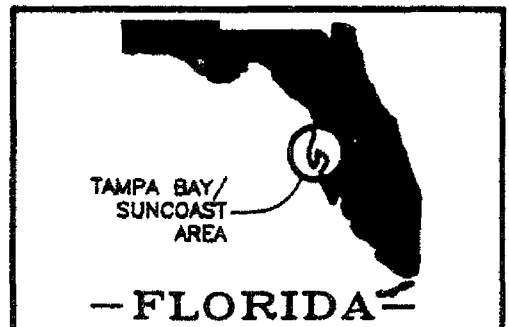
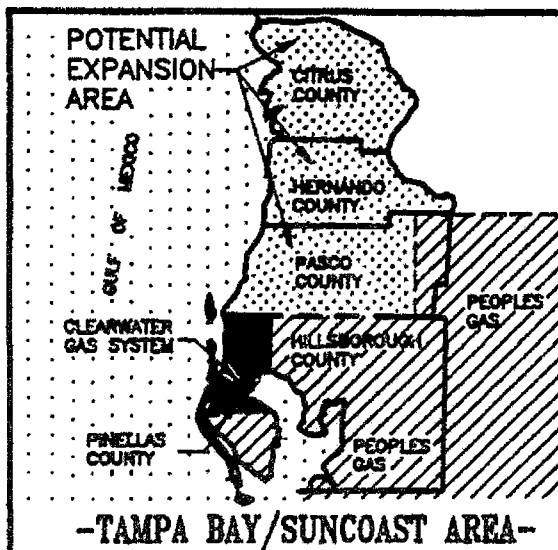
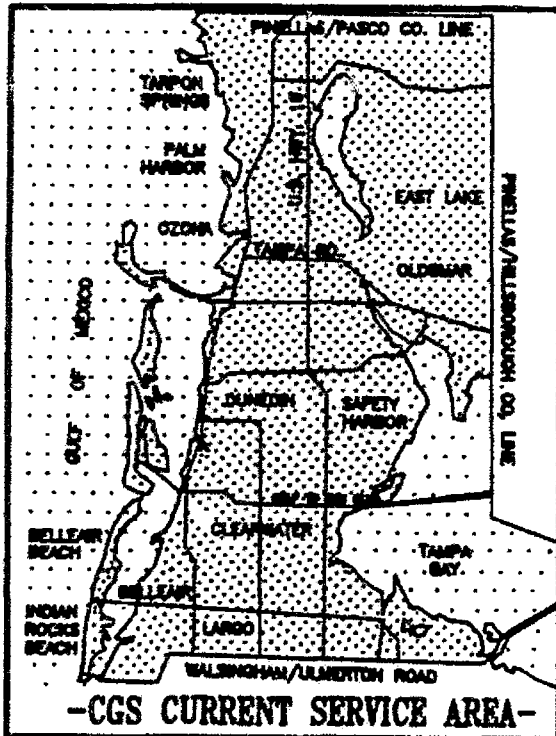
- NATURAL & PROPANE GAS SERVICE
- GAS APPLIANCE SALES & SERVICE
- INSTALLATION OF CUSTOMER GAS PIPING
- DOMESTIC AND COMMERCIAL GAS EQUIPMENT SERVICE
- 135 SQUARE MILES OF SERVICE TERRITORY
- 472 MILES OF MAIN PIPELINES
- SERVE 11 MUNICIPAL AREAS:

BELLEAIR	INDIAN ROCKS BEACH
BELLEAIR BEACH	LARGO
BELLEAIR BLUFFS	OLDSMAR
BELLEAIR SHORES	SAFETY HARBOR
CLEARWATER	TARPON SPRINGS
DUNEDIN	

AND UNINCORPORATED NORTH PINELLAS COUNTY:

CRYSTAL BEACH	HIGHPOINT
EAST LAKE	OZONA
HARBOR BLUFFS	PALM HARBOR
HARBOR HILLS	TOP OF THE WORLD

- 12,000 CUSTOMERS
- \$ 12.5 MILLION ANNUAL GAS REVENUES
- 10,661 MMBTU/DAY PEAK DEMAND (1/21/85)
- 10,219 MMBTU/DAY PEAK CONTRACT (FGT)
- SUPPLIER: FLORIDA GAS TRANSMISSION



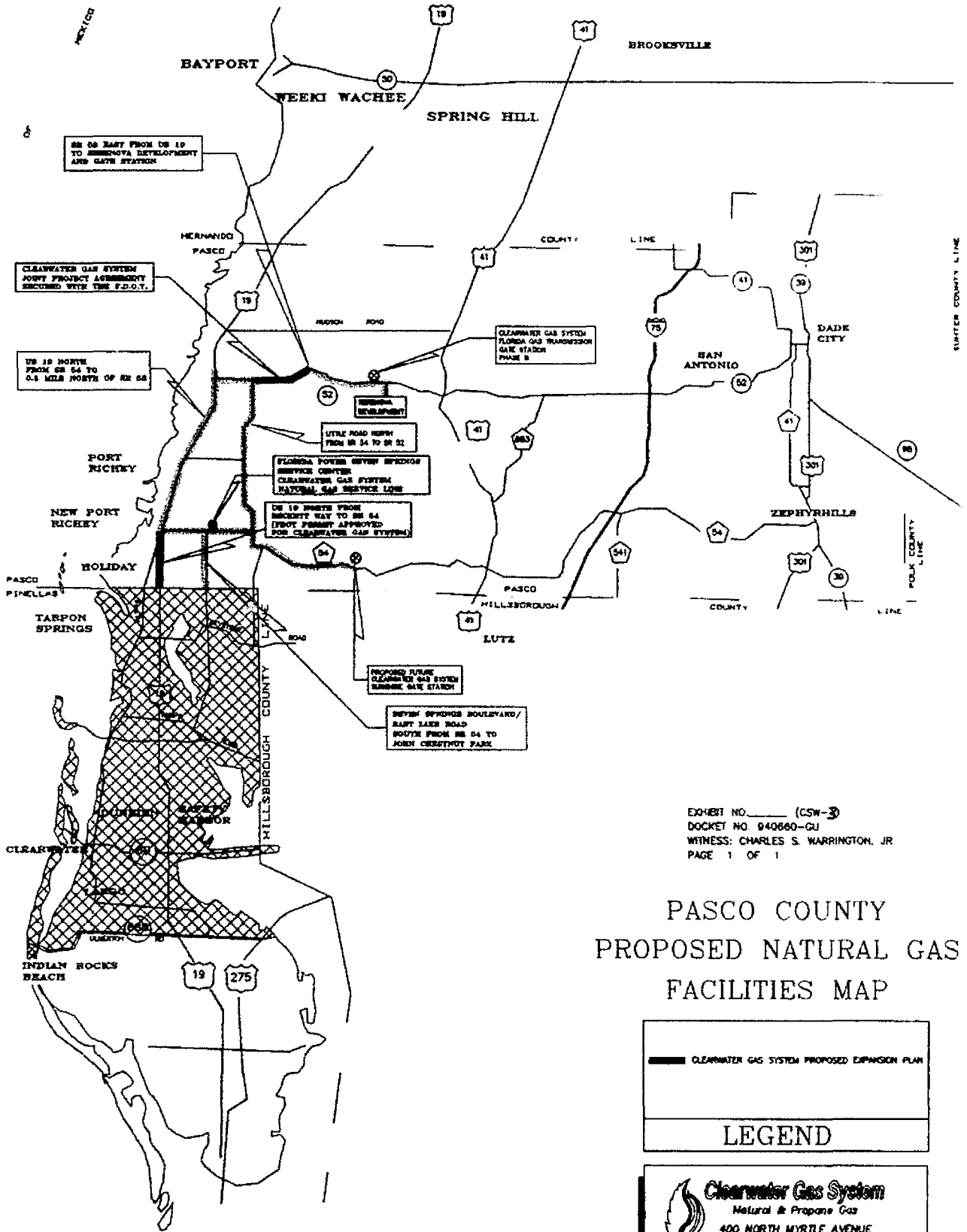


EXHIBIT NO. _____ (CSW-3)
 DOCKET NO. 940660-GU
 WITNESS: CHARLES S. WARRINGTON, JR.
 PAGE 1 OF 1

PASCO COUNTY PROPOSED NATURAL GAS FACILITIES MAP

CLEARWATER GAS SYSTEM PROPOSED EXPANSION PLAN
LEGEND

Clearwater Gas System Natural & Propane Gas 400 NORTH MYRTLE AVENUE CLEARWATER, FLORIDA 34615 TEL (813) 462-6630 FAX 462-6636
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