



**Clearwater Gas System
2008 Rate Review
Frequently Asked Questions**

Q: What are some of the basic economic factors that make the gas service rate increase necessary?

A: Since the last rate and labor rate review in April 2005, the cost of doing business has increased significantly, labor (by 22%) and steel pipe (by more than 100%). In addition, our customer base has also increased by more than 7% since April 2005, which requires system upgrades to our infrastructure such as operations and maintenance costs to better serve our natural and propane gas customers.

Q: As a customer, when can I expect to pay a higher service rate for natural and propane gas?

A: The new service and labor rates will take effect on January 1, 2009.

Q: I'm a residential natural gas customer how much would I pay for the monthly customer charge after January 1, 2009? *Note: the average natural gas customer using 20 therms per month will not see a gas rate increase on their January bill.*

A: The residential natural gas customer charge will increase from \$8 to \$10 in Pinellas and most of Pasco County. The customer charge for Central Pasco customers will increase from \$12 to \$15.

Q: I'm a residential propane gas customer, how much would I pay annually for the customer charge after January 1, 2009 (customer charge based upon annual propane consumption)?

A: For the 0-60 gallon consumption class: from \$180 to \$210
For the 60.1 – 120 gallon consumption class: from \$144 to \$180
For the 120.1 – 300 gallon consumption class: from \$72 to \$90
For the > 300 consumption class: from \$60 to \$75

Q: I'm a commercial customer, how much would I pay for the monthly natural gas customer charge after January 1, 2009?

A: Small Commercial (0 – 17,999 therms/year): from \$20 to \$25
Medium Commercial (18,000 - 99,999 therms/year): from \$30 to \$40
Large Commercial (100,000 + therms/year): from \$75 to \$95

Q: I'm a commercial propane gas customer, how much would I pay for the monthly propane gas customer charge after January 1, 2009?

A: Multi-family Metered Propane (MMLP): from \$20 to \$25
General Metered Propane Gas Service (MGLP): from \$20 to \$25
Large Metered Propane Gas Service (Rate MLLP): from \$30 to \$40
Note: the non-fuel energy rate for the above rates will be reduced by 1 cent/therm, which will typically off-set the effect of the monthly customer charge increase.

Q: What's included in the monthly customer charge for natural and propane gas customers?

A: This is a fixed charge, regardless of how much gas is used, to cover costs associated with maintaining a gas service account. This includes meter reading, billing, and administrative costs, as well as a portion of the system costs associated with providing gas service. Although the rate increase directly affects the monthly customer charge, the non-fuel therm rate will decrease for all natural gas customers.

Q: What is the non-fuel energy rate?

A: This charge includes the costs of delivering natural gas to your service location. It also includes the costs associated with the operation and maintenance of the distribution system as well as the costs of complying with governmental and environmental regulations, and encouraging the use of natural gas as an environmentally-friendly, energy alternative.

Q: Should I expect a monthly customer charge increase every year?

A: No. Going forward, we do not anticipate increased volatility in the customer charge component of the monthly bill for gas service. However, regarding installation, service and repair charges, please keep in mind that labor and material costs directly affects the price for service. We pledge to keep our services economical, while continuing to provide the customer service that you have grown to expect from your hometown gas company.

Q: What incentive does Clearwater Gas System have for not increasing rates?

A: Clearwater Gas System has several reasons to hold down costs:

- We have a competitive incentive. We are well aware that customers may choose alternate energy sources. We must compete daily with electric utilities and other alternative energy sources to provide our customers with safe, reliable, economical gas energy.
- We have a professional responsibility. Clearwater Gas System has been providing gas service since 1923. We are proud of our record of community involvement and professional achievements that make Clearwater Gas System a recognized leader in the gas utility industry.

Q: I am on a fixed income and money is tight, are there any programs available to assist me with paying my gas bill or paying for gas services?

A: Customers with limited incomes may qualify for energy bill assistance from the federally-funded Low Income Home Energy Assistance Program (LIHEAP). For more information and or to apply for LIHEAP assistance, please contact the Urban League of Pinellas County at (727) 327-2081 or Pasco's Mid Florida Community Services, Inc. at (727) 845-7350.