

# the Pilot

A newsletter for customers  
of Clearwater Gas System FALL 2004

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[www.clearwatergas.com](http://www.clearwatergas.com)

# The Cost of Heating Your Home this Winter

*By Brian Langille, Clearwater Gas Technology and Supply Engineer*

Typically, residential natural gas customers have a couple of basic questions as winter approaches: How much will natural gas cost, and will there be enough for the heating season? The answers to these questions will ultimately depend on ever-changing conditions in national and local natural gas markets.

Unfortunately, the natural gas market has experienced unwelcome price increases over the last four years, which have continued into 2004. The average wellhead cost of natural gas for the first six months of 2004 was approximately \$6 per million Btu (MMBtu). This is mostly due to the rising costs of crude oil. However, prices in both the daily and futures markets have lowered in August to around \$5 per MMBtu, as unusually cool August temperatures persisted in most areas of the country. This downward trend is not expected to continue; instead will more than likely increase to \$6 or higher during the fall and winter seasons.

There are many factors that drive the cost of natural gas. Here are some of the major energy issues and their impact for the upcoming heating season:

**Weather:** Not a significant factor this year due to mild temperatures across most of the country all summer long. This results in lower electric demand; therefore lower natural gas usage at the power plants.

**Production:** Has increased this year to over 1,200 (compared to 1,000 last year) oil and gas rigs actively drilling for new supplies. This will help mitigate prices over the long-term. However, there is typically a one-year time lag from when drilling occurs and supplies enter the market area. So we have not yet experienced the effects of increased production.

**Storage:** Not a factor this year due to large injections into storage fields.

Storage is typically a strong function of the "Weather" and "Production" categories.

**Hurricanes:** Major factor this year due to strong storms entering into the Gulf of Mexico and temporarily shutting down production. Lost supplies means short-term price increases.

**Crude Oil:** Huge factor this year! With prices approaching \$50/barrel, the natural gas market has closely followed the crude oil market, therefore \$5-\$6 gas for the entire 2004 calendar year. If crude oil were currently priced in the low \$30's, natural gas would probably be around the low \$4 range. So there's roughly a \$1-\$2 premium tied to natural gas given current crude oil prices.

With prices bouncing up and down throughout the year, Clearwater Gas has purchased fixed priced gas supplies to help stabilize our gas rates. But there are certain conservation efforts that our customers can do to help reduce your gas bill:

- Have your gas appliances and gas space-heating equipment professionally serviced for efficient operation.
- Reduce thermostat settings, especially when you are not at home.
- Close the door and you'll save more – close the door to unused rooms.
- Close the curtains to keep the draft out.
- Keep the cold out and the warm in with weather-stripping around windows and doors.

Overall, natural gas continues to be the best value for your energy dollar. At current rates, natural gas is 35% less expensive than electricity for typical residential use.

# Natural Gas Delivers, Despite a Busy Hurricane Season

By Chuck Warrington, Clearwater Gas Managing Director and Executive Officer

Since most of our facilities are located underground, you may not have given Clearwater Gas much thought - that is, not until the spate of hurricanes wreaked havoc with Florida's electric utilities this summer.

In the aftermath of Charley, Frances, Ivan and Jeanne, our state's electrical utility systems suffered catastrophic damage. Millions of customers went without electricity for days and weeks as power companies scrambled to assemble manpower and materials to repair and re-repair storm-damaged overhead lines and circuits. All the while, natural gas systems, such as Clearwater Gas, continued to provide dependable, reliable service via our underground delivery systems.

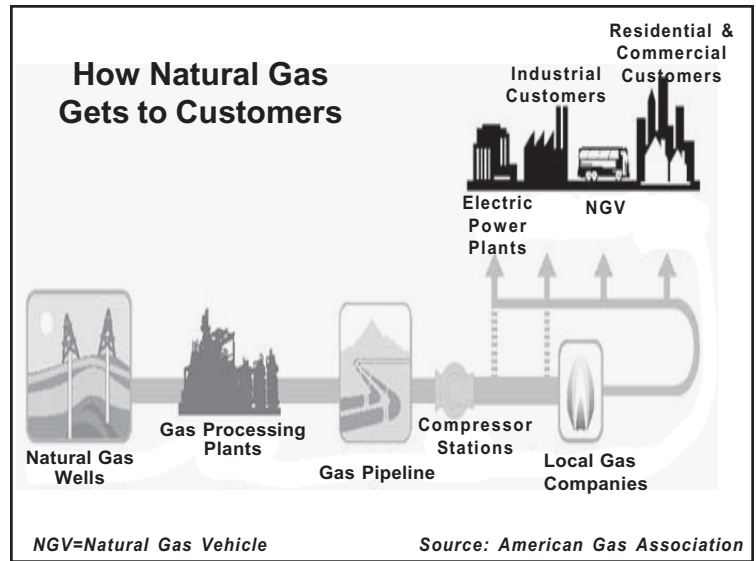
Regrettably, approximately 90% of the damage to Florida's electric utility systems was caused by fallen trees that pulled down power lines and utility poles. This can be a major burden for any above-ground utility. Because our natural gas infrastructure is located underground, our system is not as susceptible to such storm-related outages. In fact, a natural gas outage is an extremely rare event, typically the result of a third

party dig-in or cutting into our lines.

In the wake of storm season, the natural gas utilities statewide reported very little damage, and Clearwater Gas experienced no outages. Compare this to your electric service.

Progress Energy Florida reported customer outages in the millions from hurricane damage and acknowledges that its average customer outage rate, even without hurricanes, is approximately 1.2 hours per year. Many Clearwater Gas customers were able to utilize their gas water heater and range during the storm, even without electricity.

On average our customers can expect to be interrupted less than 30 seconds per year - expressed as a 99.999% service reliability rate. The other 0.001% that remains can be attributed to third party damage, principally by roadway utility contractors. State law requires homeowners, contractors and construction companies to call at least 48 hours before digging so that utility lines can be properly located and marked. Clearwater Gas continually trains and educates our local fire departments to safely respond to dig-ins on gas lines.



Utilities like Clearwater Gas System, have developed and refined back-up plans to help ensure that natural gas will flow safely and reliably in the event of a natural or man-made disaster.

To assure our continued service reliability we have installed a double-feed gas main system along the north and south boundaries of our service territory. Such interconnect stations assure a second source of gas supply for emergency situations.

Natural gas utilities, like Clearwater Gas, have been successfully developing, implementing and refining measures to address threats – natural or manmade — to their gas service for more than a century. It is a utility's job to deliver natural gas to customers despite a variety of harrowing conditions, such as floods, hurricanes, tornadoes and earthquakes.

We are committed to doing everything we can to protect the integrity of our operations. This includes continually monitoring and maintaining our pipeline facilities to provide an uninterrupted supply of natural gas energy. At Clearwater Gas we are proud of our record of service reliability and we will continue our efforts to provide the reliable gas service that you have come to expect from your energy provider.

# Reading Your Natural Gas Meter

Each and every month, City of Clearwater meter readers read over 60,000 water and gas meters in Clearwater, portions of Pinellas and Pasco counties.

Our meter readers can read a meter as quickly and accurately as you can read your watch. In order to obtain accurate meter readings, we must be able to access your meter. We ask that you restrain your pets, unlock gates, and remove other obstacles that may prohibit us from reading your meter accurately.

Since natural gas is neither a solid nor a liquid, it is hard to weigh or measure as we would a quart of milk or a pound of margarine. So how do we know how much natural gas is used by any given customer?

Well, when a gas appliance is turned on, gas flows into it from a pipe, which is connected to a meter. Every gas customer has a meter, which measures flowing gas in hundreds of cubic feet (CCF), a "volumetric" measure. Since natural gas varies slightly in heating value, most gas companies sell nat-

ural gas by the therm, which is a measurement of its energy value. This is a more accurate way of charging for the true value of the gas.

Most meters have five dials – one shows that the meter is working and the other four measure the volume of gas used. Clearwater Customer Service meter readers take readings every month.

Reading your gas meter is as easy as reading a clock. If your natural gas meter is an EZ read meter, it will look like a car odometer, and can be read just the same, from left to right. If it is a dial meter it is a little more difficult to read. The dials on the meter are marked off in units of ten. You read the dials as you would the hands on a clock, except that some of the dials turn the opposite way from a clock (counter-clockwise).

To tell which way the hands go, look to see which way the numbers are printed around the face of the dial. Each dial should be read in the way that it's numbers increase.



Scott Smith, Clearwater Customer Service Coordinator, reads a natural gas meter.

To check the reading on the meter shown below, read the 10,000 dial first, and write down the number. If the hand is between numbers, use the lower number. Then write down the readings on each of the other dials across the meter, ending with the "10" dial. The dial below shows 5, 2, 1 and 1 (5,211 cubic feet). If this were the actual reading on your meter, then your consumption would be based on subtracting your previous reading from this one. The result would be the basis for your gas bill in CCF.

As an additional safeguard for accuracy, our meter readers are equipped with a hand-held computer that compares your average consumption with the current reading. If there is a large variation, the meter reader will be prompted to verify the read. If there is still a question after verification, the meter is read again, also known as a re-read.

If you'd like to track your natural gas consumption each month, you can easily do so by taking your own monthly reading. By reading your meter, you not only double-check the accuracy of your bills, but you also learn how to monitor and budget your fuel consumption.

For your regularly scheduled meter reading date, contact Clearwater Customer Service at (727) 562-4600 or visit the City of Clearwater's website at [www.myclearwater.com](http://www.myclearwater.com).

The pictured meter reads 5,211 cubic feet. Reading the dials from right to left, you find:

- 5 for "1 thousand"
- 2 for "10 thousand"
- 1 for "100 thousand"
- 1 for "1 million"



# Powered by Natural Gas to Fuel a Cleaner Environment

As the rumors of gasoline rationing spread over the Tampa Bay area on September 10, 2004, thousands of drivers headed to the nearest gas stations in fear of a gas shortage. But Walt Popaden was already prepared. Clearwater residents Walt and Carole Popaden, the first customers in our area to install a natural gas home refueling station, have joined the cause for a cleaner environment after inheriting a bi-fuel natural gas vehicle (NGV).

Walt, a retiree, had always admired the natural gas bi-fuel Chevy Silverado that his daughter Kimberly owned. He often reminded her that if she ever planned to get rid of the truck that he would be happy to buy it. Well, the opportunity came to life when Kimberly made a career move to another state a few years ago and Walt became the proud new owner of a 2000 Chevy Silverado natural gas vehicle (NGV).

Kimberly converted the 2000 Chevy Silverado to a natural gas bi-fuel vehicle while living in Arizona (a clean air state

where natural gas refueling stations are common). The conversion of the bi-fuel tank allows the driver to flip a switch and run their vehicle either on natural gas or regular gasoline.

Shortly after inheriting the NGV, Walt contacted Clearwater Gas to design a gas fueling station at his home. After much planning and preparation, the system was up and running by April 2002.

Walt's home system is a slow fill station that fills overnight; by contrast high-pressure systems fill within a matter of minutes.

The bi-fuel tank is installed in the bed of the truck, which often baffles airport security especially when Walt and Carole visit the Tampa Airport. "Inevitably when we take a trip to the airport, security always stops us to find out what's inside the box in the bed of our truck," says Carole Popaden. Carole adds, "Walt has become quite fond of his new environmental toy and he enjoys the savings over gasoline." Walt's travels don't take him out of the state much,

but he knows that he can travel approximately 300 miles on a tank of compressed natural gas before stopping to refill.

Not only is natural gas one of the cleanest burning alternative fuels, it is also 30% cheaper than gasoline, on average. You also save on vehicle maintenance costs, because engines fueled by natural gas run cleaner than gasoline fueled cars. For example, oil changes are necessary only every 10,000-20,000 miles and standard spark plugs can last as long as 75,000 miles. In the area of safety, NGV's are just as safe as today's conventional gasoline and diesel vehicles. They use pressurized tanks, which have been designed to withstand severe impact, high external temperatures, and environmental exposure.

According to the Natural Gas Vehicle Coalition (NGVC) there are 130,000 light – and heavy-duty compressed natural gas and liquid natural gas vehicles in the United States and 2 million worldwide.

The state of Florida currently does not offer any incentives for alternative fuels or alternative fuel vehicles. For additional information and research regarding alternative fuel vehicles call Florida's Clean Cities Coalitions at 321-638-1459, or visit [www.cleancities.org](http://www.cleancities.org).



Walt's Natural Gas Chevy Silverado is powered using a slow-fill natural gas station.

## Projects in the Pipeline

Clearwater Gas is your one-stop shopping headquarters for gas sales, installation, service and repair. Clearwater Gas is excited to be involved with various development projects that showcase the endless possibilities of economical and reliable gas energy. Here's a quick list of some of our upcoming projects.

**Sunset Bay Townhomes**  
**Tarpon Springs - 80 units -**  
Utilizing tankless water heating technology

**Nohl Crest Homes**  
**Windslow Park, Tarpon Springs - 33 lots**  
All gas homes

**The Lofts**  
**Downtown Clearwater - 46 townhomes**  
Utilizing tankless water heating technology with hydro-heat

**Trinity West, Phase 2**  
**Winward Homes and MI Homes**  
**Trinity - 100 lots**  
All gas homes

**Nohl Crest Homes**  
**Redington Shores Yacht Club**  
**69 lots**  
All gas homes

**Grand Cypress, Lake Tarpon, Arthur Rutenberg Homes and Southern Image Homes**  
**Tarpon Springs - 109 lots**  
All gas homes

For more information on safe and reliable natural or propane gas, please call Clearwater Gas at (727) 669-1958 or visit us at [www.clearwatergas.com](http://www.clearwatergas.com).

# Neighbors Helping Neighbors

Clearwater Gas employees are proud of their community and often go the extra mile to help others. Just recently, on August 26, 2004, the Clearwater Gas team contributed their time and talents to participate in the 11<sup>th</sup> Annual United Way Day of Caring. Volunteer duties ranged from painting to preparing meals for the elderly.

The Day of Caring is the most recognized annual volunteer event representing United Way's kickoff of their annual fall campaign.

This year employees from participating companies and organizations in the Bay area provided a variety of valuable services to the United Way Community Partner agencies, services they could not otherwise afford.

Clearwater Gas employees have consistently led the City of Clearwater's United Way campaign in department donations. Last year, employees pledged a record \$13,382 and this year promises to be another banner year.



In addition to United Way, the Clearwater Gas team also supports other community-related events, such as Paint Your Heart Out Clearwater, the Great American Teach-In, the American Heart Walk, Clearwater's Holiday Food Drive and the Annual Children's Burn Camp, to name a few.

Clearwater Gas is your hometown energy provider, committed to helping to make our community a more warm and caring place to live.



Clearwater Gas employees volunteered along with several other City of Clearwater departments during the United Way annual Day of Caring.

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## industry news

### U.S. Energy Mix.

Traditional fossil fuels (natural gas, coal and petroleum) meets 94% of U.S. energy needs compared to renewable forms of energy (biomass, hydropower, windpower, and solar power) which meet only 6% of U.S. energy needs.

### Space/water heating system planned for manufactured homes.

The Propane Education and

Research Council and the U.S. Department of Energy are pledging \$1.3 million to develop the first pre-production, gas powered combo space/water heating system for manufactured homes.

### Homebuilders in Florida, New Jersey praised for propane use.

Two homebuilders earned accolades for their consistent and innovative use of propane in their building projects. GBN Construction in Jacksonville,

Florida, won in the category of homes selling for more than \$250,000 and Morel Builders in Hopatcong, N.J., won for homes selling under that amount. The two companies were selected by the PROPANE Exceptional Energy Builder Awards for building homes equipped with central water heater systems, multiple propane fireplaces, built-in grills, gas-fired cook tops, clothes dryers, and outdoor gas lighting.

### EPA, CARB certify dedicated propane shuttle bus.

A new 2004 dedicated propane shuttle bus has been certified by the Environmental Protection Agency (EPA) and the California Air Resources Board (CARB). Manufactured by Heart International, the bus features an 8.1-liter engine and a propane fuel system with an ultra-low emission vehicle rating.

Sources: *Liquid Propane Gas Magazine*, *American Gas Association*



**CERTAIN RESTRICTIONS APPLY.** Coupons are valid only at the Clearwater Gas Showroom and must be presented at time of purchase. This offer may not be combined with other promotional offers. Call Clearwater Gas at (727) 669-1958 for further details. Prior sales excluded.

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