



▶ CLEARWATER GAS SYSTEM CELEBRATES PUBLIC NATURAL GAS WEEK.....1



▶ CALL BEFORE YOU DIG: NEW UPDATE.....2



▶ UNDERSTANDING YOUR GAS BILL.....3

○ FALL

○ 2007

The Pilot newsletter

A NEWSLETTER FOR CUSTOMERS OF CLEARWATER GAS SYSTEM

Clearwater Gas System joins the nation's publicly-owned municipal gas systems to celebrate Public Natural Gas Week.

Clearwater Gas System: Then and Now

It's no secret that natural gas has become an increasingly popular energy choice among knowledgeable consumers in the Suncoast area. With almost 17,300 natural gas customers, Clearwater Gas System has become the fourth largest municipal gas system in Florida and ranks 35th out of nearly 1,000 public gas systems in the United States. As a municipal enterprise, Clearwater Gas System has a long and interesting history.

Founded in 1923, Clearwater Gas System has been a leader in the community, serving the gas energy needs of customers in Clearwater and surrounding areas. In case you didn't know, Clearwater Gas System is owned and operated as an enterprise utility by the City of Clearwater. The Clearwater Gas System story began with a manufactured gas plant operation. At that time, gas was made via a chemical process using coal, coke, and other products; approximately 275 gas meters were in service. In 1959, when natural gas transmission lines were extended to peninsular Florida, Clearwater Gas System discontinued the manufacturing of

gas and began receiving piped natural gas from Florida Gas Transmission.

Over the years, our customer base has grown at an annual rate of six to seven percent. Today, the gas system has more than doubled and our increased service territory is served by an expanded infrastructure that safely delivers reliable natural gas to homes and businesses in Pinellas and Pasco counties. This growth allows Clearwater Gas System to remain a valuable community asset that provides our community with opportunities for economic development. More importantly, since the gas system is not required to generate profits for stockholders or distant parent corporations, all financial benefits support our local economy.

In recognition of our accomplishments, Clearwater Gas System joins the nation's publicly-owned gas systems to celebrate Public Natural Gas Week. The purpose of this annual celebration is to foster public awareness about the many benefits that a community-owned natural gas distribution system provides its



residents. Most people take the "gas company" for granted, but there are some very important benefits that public gas systems bring to their customers. The number one advantage is that public gas systems are owned by the municipal governments in the communities they serve. Public gas utilities have strong ties to the communities they serve, purchasing goods and services in addition to providing jobs to the local community.

During Public Natural Gas Week, we take this opportunity to thank our employees, and especially you, our customers, for allowing us the privilege to serve you.

GOT CALENDARS?

October 7 –13, 2007 is Public Natural Gas Week and Clearwater Gas System invites you to stop by the Gas Sales Showroom at 2551 Drew Street, in Clearwater, or the North Sales Service Center at 7302 US Highway 19, in New Port Richey, to pick up your 12-month 2008 calendar and an appreciation gift, compliments of Clearwater Gas System.



Call Before You Dig Just Got Easier

Officials Launch National Three-Digit "Call Before You Dig" Telephone Number.

The Federal Communications Commission recently introduced a new national 8-1-1 number, to eliminate confusion over multiple nationwide "Call Before You Dig" numbers. Now one easy call to 8-1-1 begins the process of marking your underground utility lines prior to excavation.

Upon dialing 8-1-1, residential and commercial callers in Florida are automatically forwarded to the Sunshine State One Call Center, which notifies the appropriate local utility to properly mark their underground facilities, free of charge.

Knowing where underground lines are buried before each digging project helps prevent injury, expense and possible penalties. In 2004, according to industry data, the Common Ground Alliance estimates there were approximately 680,000 underground gas line strikes resulting in damages, including outages and injuries. Many of these accidents could have been easily avoided by calling ahead to have lines marked before digging.

Over the past nine years, Clearwater Gas System has achieved a 59% collection rate for third party damage claims. We aggressively pursue damage recovery from contractors and

individuals who damage underground gas facilities.

Florida law requires all excavators (homeowners and professionals alike) to call at least 48 hours before scheduling any excavation projects, including erecting a fence or changing out a mailbox. Failure to call can result in fines from \$250 to \$5,000.

By calling 8-1-1, you can help Clearwater Gas System prevent injuries and damage to underground facilities. For additional information, please visit the Sunshine State One Call of Florida website at www.callsunshine.com. You may also contact them toll free at 1-800-432-4770.

DATES TO REMEMBER:

NOVEMBER 12
VETERANS' DAY
OFFICES CLOSED

NOVEMBER 22 - 23
THANKSGIVING
OBSERVANCE
OFFICES CLOSED

DECEMBER 25
CHRISTMAS DAY
OFFICES CLOSED

JANUARY 1
NEW YEAR'S DAY
OFFICES CLOSED

JANUARY 21
MLK HOLIDAY
OFFICES CLOSED

CLEARANCE BLOWOUT SALE

APPLIANCE
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CLEARANCE SALE
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UP TO \$200 OFF
Discontinued Models•Very Limited Quantities Available
NOT VALID WITH ANY OTHER OFFER

Clearwater Gas Showroom
2551 Drew Street
Just West of US 19•Clearwater•727-669-1958

RESIDENTIAL CUSTOMERS

SAVE \$100 off

A gas grill or pool/spa heater from Clearwater Gas System with this coupon!

Coupon Expires 7/31/07

Certain restrictions apply. Grills priced at \$600 and higher. Coupons are valid only at the Clearwater Gas Showroom and must be presented at time of purchase.

COMMERCIAL CUSTOMERS

SAVE \$100 off

A commercial gas water heater or pool/spa heater from Clearwater Gas System with this coupon!

Coupon Expires 7/31/07

Certain restrictions apply. Coupons are valid only at the Clearwater Gas Showroom and must be presented at the time of purchase.



Understanding Your Gas Bill

Clearwater Gas System provides home and business owners with competitively priced natural and propane gas.

distribution system as well as the costs of complying with governmental and environmental regulations.

Here's important information about your monthly billing statement that you may find useful to help you better understand your gas bill. Clearwater Gas System's natural gas customers are billed on or about the same date each month, while propane gas customers are billed at the time of a tank fill. Please keep in mind that your gas bill amount may vary from month to month depending on appliance usage, weather conditions, and even the number of people living in your home.

Here's a brief explanation of the natural and propane gas charges that regularly appear on a customer's billing statement.

Propane Gas

Our annual customer pricing structure classifies residential propane customers by *Bulk Bill* (Clearwater Gas System monitors usage and fills tank as required) or *Will Call* (customers monitor their gas usage and call us for all tank refills). Since propane gas is sold by the gallon, usage is calculated by multiplying the number of gallons consumed by the current gas rate. Other charges appear as follows:

- **Non-fuel** - This charge includes the costs of delivering propane gas to your service location. Included are costs associated with the operation and maintenance of the

- **Fuel** - This charge is the cost of fuel used by the customer. This is the actual cost of fuel from our suppliers. Clearwater Gas System makes no profit on the fuel charge; this is a direct pass through to the customer.

- **Annual Customer Charge** - An annual fee billed to propane customers, depending on the level of gas usage and *Bulk Bill* or *Will Call* pricing structure. The current annual *Bulk Bill* customer charge is as follows:
\$60 (over 300 gallons),
\$72 (120.1 – 300 gallons),
\$144 (60.1 – 120 gallons),
\$180 (0 – 60 gallons). The current annual *Will Call* customer charge is:
\$60 (over 120 gallons) or
\$120 (less than 120 gallons).

Natural Gas

Natural gas is metered in units of hundreds of cubic feet (CCF). This is a measure of the volume of natural gas that is used. To determine CCF consumption, the previous month's meter reading is subtracted from the current meter reading. The end result is the monthly CCF consumption. Like most other natural gas utilities, Clearwater Gas System sells gas in therms, a unit that represents the energy value of gas. One CCF is roughly equal to one therm. However, the energy value

varies slightly, depending on the presence of other hydrocarbons in the natural gas that Clearwater Gas System purchases from our suppliers. To account for these small changes, an adjustment factor is applied to the metered CCF units. The resulting product is the number of therms that serves as the basis for computing the gas bills. Other charges appear as follows:

- **Customer Charge** - This is a monthly charge, regardless of how much gas is used, to cover the fixed costs associated with maintaining a gas service account including meter reading, billing and administrative costs.
- **Non-fuel** - This charge includes the costs of delivering natural gas to your service location. Included are 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 efficient alternative.
- **Fuel** - This charge covers the cost of fuel used by the customer. This is the actual cost of fuel from our suppliers. Clearwater Gas System makes no profit on the fuel charge; this is a direct pass through to the customer.
- **State Gross Receipts Tax** - This is a tax levied by and paid to the State on the sale of utility services.
- **Sales Tax** - Applicable to non-residential customers only, six percent is levied by and remitted to the State. Non-

CONTACT US:

PINELLAS GAS SALES
(727) 669-1958

PASCO GAS SALES
(727) 816-1253

GAS ADMINISTRATION
(727) 562-4900

SERVICE AND REPAIR
(727) 562-4900 x7419

WAREHOUSE
(727) 562-4900 x7444

CUSTOMER SERVICE
(727) 562-4600

24-HOUR EMERGENCY LINE
(727) 462-6633

SEND YOUR EMAIL INQUIRIES
TO: CHRIS.THORN@
CLEARWATERGAS.COM

residential customers in Pinellas and Pasco are charged an additional one percent local option sales tax.

- **Franchise Fee** - This fee is paid to local governments who have agreements with Clearwater Gas System to operate within their jurisdictions.
- **Utility Tax** - This is a tax on the purchase of gas that is levied by and paid to local jurisdictions.

Note: We attempt to read every gas meter each month. If a meter reader cannot access your meter for any reason, an estimated bill is calculated based on your previous usage, and "Estimated Bill" is noted on your statement.

Your bill may also include past due charges, transferred amounts and/or service initiation charges as applicable. You may access us online to learn more about your bill at www.clearwatergas.com or contact Clearwater Customer Service at (727) 562-4600 regarding billing, payments, or requests for service turn-ons/turn-offs.



Gas Industry News Update

News, trends and current events affecting the gas industry nationwide.

Propane Powered Rodenator Pro Eliminates Pests.

Meyer Industries recently introduced the Rodenator Pro. This new invention, Rodenator Pro, ignites a mixture of oxygen and propane to create a shockwave that eliminates pests. One 20-pound cylinder of propane will provide about 1,000 applications of the Rodenator Pro. Meyer Industries is headquartered in Midvale, Idaho.

Natural Gas is Flowing into Florida Through New Pipeline.

There's a new natural gas pipeline in Florida. Cypress Pipeline, runs from Elba Island near Savannah, Georgia into northern Florida near Jacksonville. The new 167-mile pipeline promises to deliver up to 220 million cubic feet per day into Florida.

Florida's natural gas supply will jump by as much as 10 percent with the new pipeline.

Two additional phases over the next few years will increase the flow of gas to 500 million cubic feet per day.

Blue Bird Corporation Debuts Propane Powered School Bus.

Blue Bird Corporation, a leading bus manufacturer, unveiled their propane-powered school bus during the Kansas City Transportation Conference and Trade Show. This is the first dedicated propane-powered school bus to be offered by a major manufacturer in the United States since 2002.

The vehicle is Blue Bird's latest innovation in providing their customers with maximum performance and economic flexibility to meet the 2007 EPA school bus emission requirements.

Sources: Propane Gas News, South Florida Sun-Sentinel, and Propane Vision 

WE'RE HERE TO SERVE YOU:

For additional gas energy information, visit clearwatergas.com or contact Clearwater Gas Sales at 727-669-1958.

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