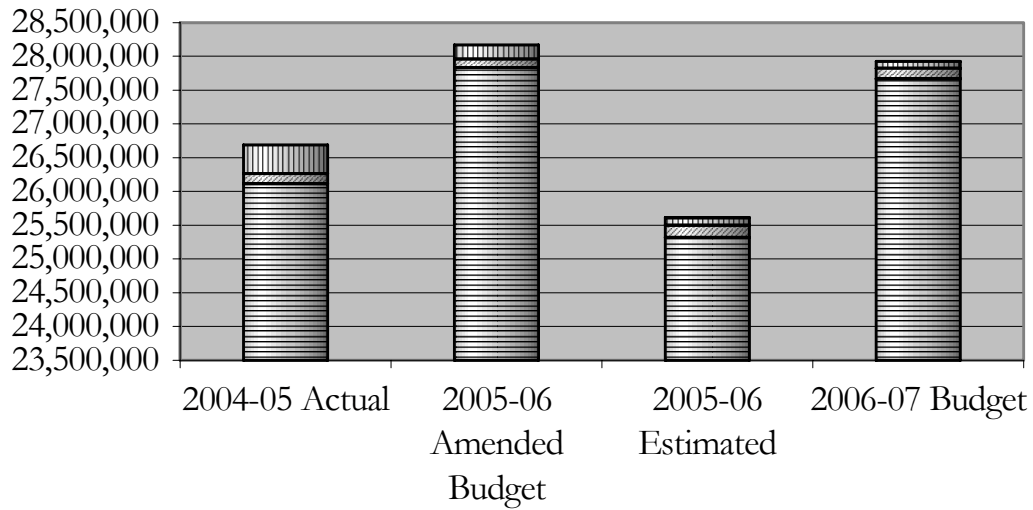


NATURAL GAS FUND REVENUE SUMMARY

Sources	2004-05 Actual	2005-06 Amended Budget	2005-06 Estimated	2006-07 Budget
Sales and Services	\$ 26,113,852	\$ 27,835,050	\$ 25,320,773	\$ 27,662,218
Other Revenues	146,719	122,000	183,030	157,000
Other Financing Sources	425,743	209,644	106,967	100,000
Total	\$ 26,686,314	\$ 28,166,694	\$ 25,610,770	\$ 27,919,218



Sales and Services
 Other Revenues
 Other Financing Sources

**NATURAL GAS DEPARTMENT
ENTERPRISE FUND**

Statement of Department’s Purpose:

The mission of the City in the operation and reliability of the City’s utilities is to “ensure that utility services are operated in a safe, effective, and efficient manner and to add quality of life to the community as well as provide for economic growth.” This mission can be achieved by operating the natural gas utility in a business manner and to empower staff to react to industry changes. This empowerment will result in better management of risks, greater returns on investment, more stable and competitive pricing, and new growth; therefore, will provide a more positive image and value of natural gas to the City’s customers.

2006-07 Objectives:

- Meet the goals of the financial and business plans which includes the following:
 - Add new customers, new load growth, and value to the natural gas system
 - Begin the Southmont Expansion
 - Begin the Automated Meter Reading (AMR) program
 - Geographic Information System (GIS) Mapping Project underway
 - Establish and begin new Integrity Management Program
 - Complete architect plans on new operations facility
 - Uptown renewal project
 - Compliance/mandates on public awareness
 - Hire a Safety/Compliance Officer

Major Benchmark Indicators:

Indicators	Lexington	Bessemer City	Monroe	King's Mountain	Shelby	Greenville Utilities	Rocky Mount	Wilson
# of dept. employees	21	6	N/A	8	14	42	N/A	N/A
# of customers	8,800	1,500	N/A	3,400	10,350	19,481	N/A	N/A
Total Dts sold/year	\$2.9 Million	\$105,000	N/A	\$1 Million	N/A	\$2.2 Million	N/A	N/A
Miles of main line	327	62	N/A	126	462	586	N/A	N/A
Miles of service line	198	55	N/A	66	N/A	390	N/A	N/A
Yearly residential bill amount (59 Dts/month)	\$861	900	N/A	\$1,034	Variable	\$333	N/A	N/A

**NATURAL GAS DEPARTMENT
ENTERPRISE FUND**

Expenditure Summary	2004-05 Actual	2005-06 Amended Budget	2005-06 Estimated	2006-07 Budget
Personnel	\$ 946,161	\$ 1,078,422	\$ 999,209	\$ 1,095,088
Operations	2,649,051	3,035,694	2,811,422	3,355,396
Natural Gas Purchases	21,371,041	23,081,980	21,129,370	22,477,914
Capital Outlay	60,797	53,885	45,249	78,889
Other Financing Uses	1,470,698	916,713	916,713	911,931
Total	\$ 26,497,748	\$ 28,166,694	\$ 25,901,963	\$ 27,919,218

Personnel Positions	2004-05 Authorized	2005-06 Authorized	2006-07 Authorized	2006-07 Funded
Full Time	21	21	21	21

Capital Outlay:

<u>Item</u>	<u>New/Replacement</u>	<u>2006-07 Budget</u>
Generator for Peak Shaving Plant	R	\$ 41,809
(2) 1/2 Ton Extended Cab Trucks	R	37,080
Total		<u>\$ 78,889</u>

City of Lexington Natural Gas

