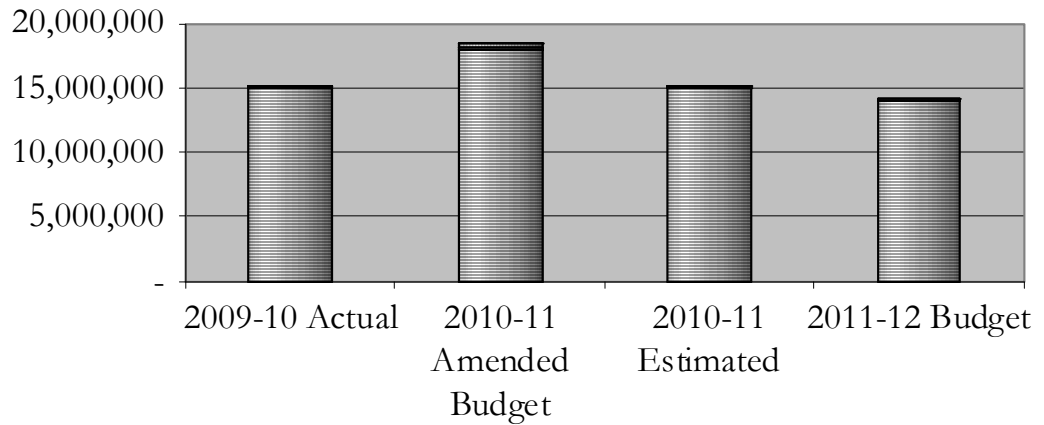






## NATURAL GAS FUND REVENUE SUMMARY

Sources	2009-10 Actual	2010-11 Amended Budget	2010-11 Estimated	2011-12 Budget
Unrestricted Intergovernmental	\$ -	\$ 35,788	\$ 35,788	\$ 33,960
Sales and Services	14,993,532	18,008,460	14,944,763	14,035,063
Other Revenues	207,054	50,563	42,919	52,281
Other Financing Sources	-	296,378	151,378	-
<b>Total</b>	<b>\$ 15,200,586</b>	<b>\$ 18,391,189</b>	<b>\$ 15,174,848</b>	<b>\$ 14,121,304</b>



 Sales and Services	 Other Revenues
 Other Financing Sources	 Unrestricted Intergovernmental

## **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.

### **Departmental Functions:**

- Maintenance (total of 648 miles of pipe to maintain: 419 miles of natural gas mains and 229 miles of service pipe, 10,019 services throughout Davidson County, 24 hour on call service for customers)
- Construction (install mains and services, manage contractors who install mains and services on the City's system, relocate and repair mains and services, repair leaks)
- Purchasing (manage the purchasing, transportation, and distribution of approximately 1.89 million DTs of natural gas annually, gas purchases, hedging, storage withdrawals and injections, capacity/asset management)
- Engineering (engineering mains with the assistance of contracted engineers, encroachments and right-of-ways, permits, Geographic Information System (GIS) mapping)
- Compliance and safety (meet all state and federal Office of Pipeline Safety (OPS) requirements, documentation and reporting of all pipeline activities, training and qualification of employees, Operator Qualifications (OQ), public awareness mandates, Distribution Integrity Management Program (DIMP) mandates)

### **2011-12 Objectives:**

Meet the goals of the financial and business plans, which include the following:

- Add new customers, new load growth, and value to the natural gas system
- Complete gas line expansion to Kurz Transfer Products, L.P.
- Complete Southmont loop to strengthen system reliability
- Continue GIS Mapping Project
- Complete internal Marketing Study
- Conduct study to update Tariff Rates
- Continue the Automated Meter Reading (AMR) program (change 1,078 meters)
- Write and implement Federal Distribution Integrity Management Plan (DIMP) using GIS as an analysis tool to maintain compliance

**NATURAL GAS DEPARTMENT  
ENTERPRISE FUND**

**Performance Measures Summary:**

Measures	FY 07-08	FY 08-09	FY 09-10
# of dept. employees	21	21	21
# of customers	8,845	8,949	8,934
Total DTs sold/year	2.14 Million	2.06 Million	1.89 Million
Miles of main line	389	405	405
Miles of service line	217	221	225
Yearly residential bill amount (59 therms/month)	\$1,197	\$972	\$934

**Budget Summary:**

Expenditure Summary	2009-10 Actual	2010-11 Amended Budget	2010-11 Estimated	2011-12 Budget
Personnel	\$ 1,163,195	\$ 1,316,445	\$ 1,277,977	\$ 1,157,552
Operations	2,776,949	3,817,146	3,551,081	3,330,829
Natural Gas Purchases	9,557,396	12,277,873	9,100,000	8,529,149
Capital Outlay	19,708	24,903	24,903	12,500
Other Financing Uses	975,772	954,822	954,822	1,091,274
Total	\$ 14,493,020	\$ 18,391,189	\$ 14,908,783	\$ 14,121,304

Personnel Positions	2009-10 Authorized	2010-11 Authorized	2011-12 Authorized	2011-12 Funded
Full Time	21	22	21	21

**Capital Outlay:**

<u>Item</u>	<u>New/Replacement</u>	<u>2011-12 Budget</u>
Portable Emergency Light Tower	N	\$ 12,500
Total		<u>\$ 12,500</u>

# City of Lexington Natural Gas

