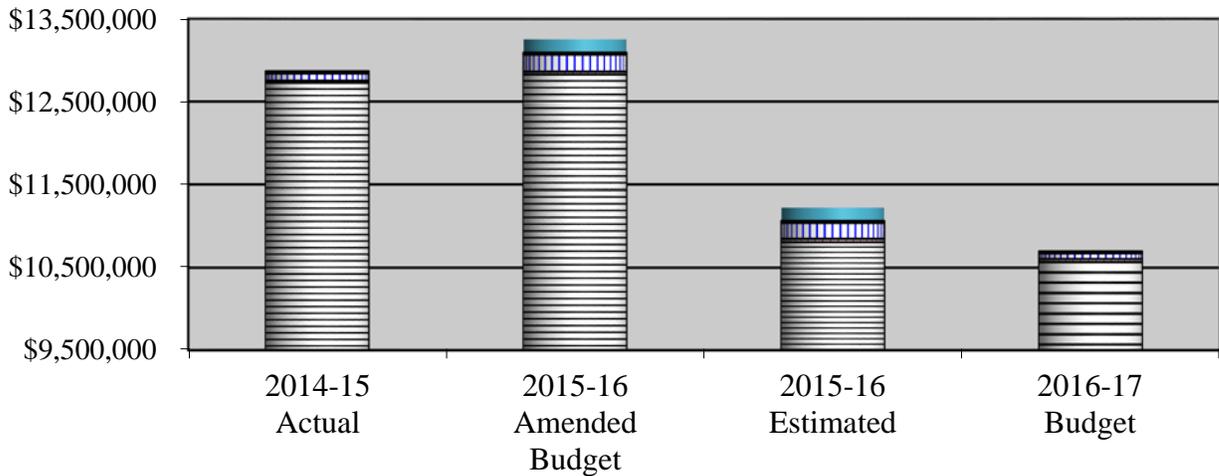


**NATURAL GAS FUND
REVENUE SUMMARY**

Sources	2014-15 Actual	2015-16 Amended Budget	2015-16 Estimated	2016-17 Budget
Unrestricted Intergovernmental	\$ 25,994	\$ 23,997	\$ 24,061	\$ 23,624
Restricted Intergovernmental	-	160,800	160,800	-
Sales and Services	12,726,062	12,826,455	10,809,588	10,568,919
Other Revenues	24,705	34,385	40,690	36,471
Other Financing Sources	88,459	205,453	191,694	69,495
Total	\$ 12,865,220	\$ 13,251,090	\$ 11,226,833	\$ 10,698,509



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 704 miles of pipe to maintain: 453 miles of natural gas mains and 251 miles of service pipe, 10,622 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)
- Maintenance (change meters, program and maintain AMRs, atmospheric corrosion survey and repairs, test meters, regulator stations, leak surveys, and maintain the new pressure monitoring system)
- Purchasing (manage the purchasing, transportation and distribution of approximately 1.99 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)

2016-17 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 Enterprise Road Expansion
- Install system main expansions based off request and payback
- Continue GIS Mapping Project
- Complete Fairview Drive (Center Street to Talbert Blvd) and White Street (8th to Elenor) Replacement Projects
- Monitor the I-85 Business Park and be in position to run gas to that facility
- Study the viability of doing installations, service and appliance sales as a new revenue stream
- Complete Rate Study

**NATURAL GAS DEPARTMENT
ENTERPRISE FUND**

Performance Measures Summary:

Measures	FY 12-13	FY 13-14	FY 14-15
# of dept. employees	21	20	20
# of customers	9,054	9,110	9,276
Total DTs sold/year	2.03 Million	2.075 Million	2.233 Million
Miles of main line	434	442	453
Miles of service line	239	242	251
Yearly residential bill amount (59 therms/month)	\$822	\$885	\$808

Budget Summary:

Expenditure Summary	2014-15 Actual	2015-16 Amended Budget	2015-16 Estimated	2016-17 Budget
Personnel	\$ 1,175,142	\$ 1,290,872	\$ 1,262,984	\$ 1,373,913
Operations	2,905,403	3,588,499	3,525,487	3,159,173
Natural Gas Purchases	6,451,670	6,650,631	4,316,461	4,526,983
Debt Service	463,423	528,530	525,672	523,449
Capital Outlay	23,484	79,052	79,052	65,173
Other Financing Uses	1,054,726	1,113,506	1,113,506	1,049,818
Total	\$ 12,073,848	\$ 13,251,090	\$ 10,823,162	\$ 10,698,509

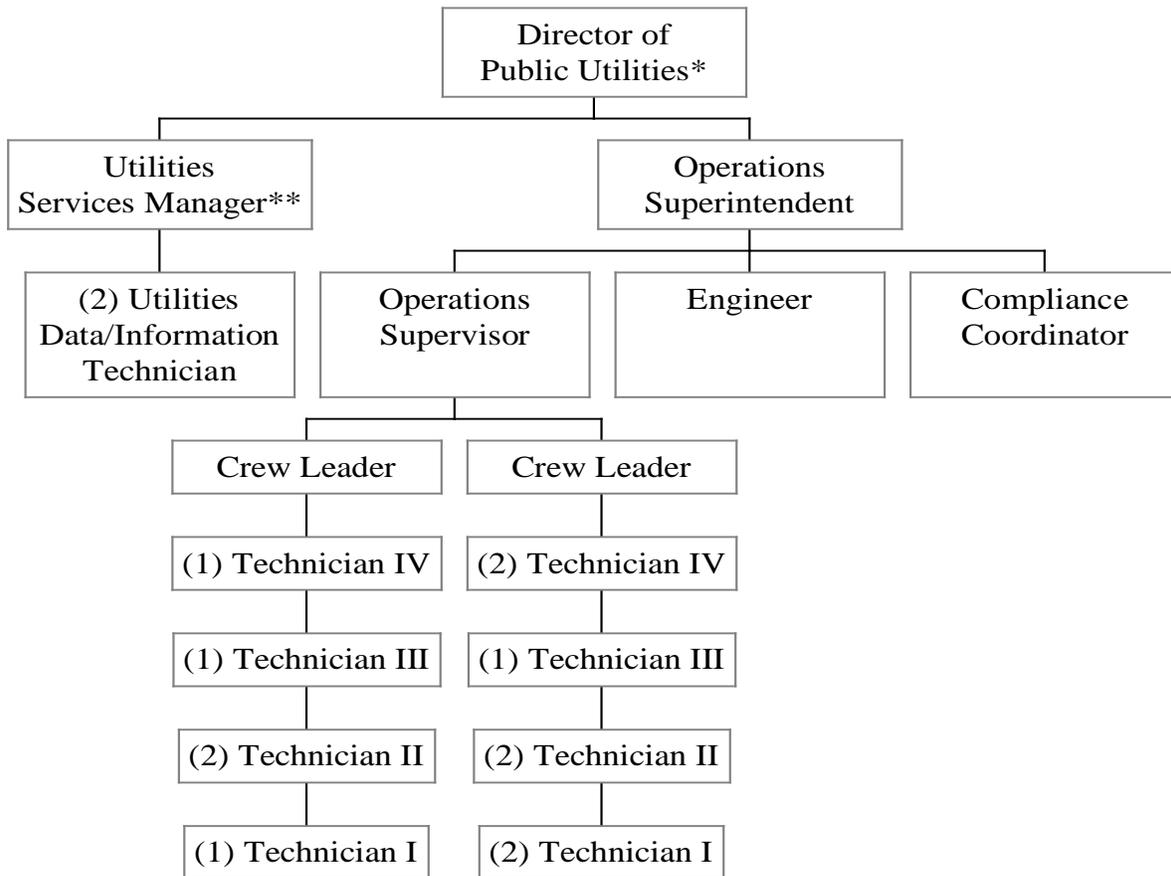
Personnel Positions	2014-15 Authorized	2015-16 Authorized	2016-17 Authorized	2016-17 Funded
Full Time	20	20	20	20

Capital Outlay:

Item	New/Replacement	2016-17 Budget
Sonic Nozzle Prover	A	\$ 59,545
Flame Pack	R	5,628
Total		<u>\$ 65,173</u>



City of Lexington Natural Gas



*Director of Public Utilities funded in Public Utilities Administration but provides leadership over the following departments: Electric, Natural Gas, Public Utilities Administration, Customer Service, Warehousing, Meter Reading and Marketing.

**Utilities Services Manager funded in Public Utilities Administration but provides leadership over the departments of Natural Gas and Marketing.