

# THE CUSTOMER PIPELINE

An Information Source for the Customers of York County Natural Gas Authority



WINTER 2006



In 2001, Patriots Energy Group (PEG) was created by York County Natural Gas Authority, Chester County Natural Gas Authority and Lancaster County Natural Gas Authority to insure a

reliable, effective way to keep the gas costs down. Shortly after PEG's formation, it announced the planned construction of a 65-mile high pressure natural gas pipeline from the Transco interstate pipeline near Blacksburg through the service territories of the three authorities.

The original decision to build the pipeline was made to meet the need for additional capacity due to the tremendous growth in residential and commercial customers and to offset significant cost increases that were proposed by our supplier, South Carolina Pipeline Corporation (SCPC), in their application to become an "open access" or "transportation only" pipeline. Subsequently, amid uncertainty created by SCPC's withdrawal of its open access application and the successful negotiation of a 15-year transportation contract, PEG announced the "postponement" of the proposed pipeline project.

In 2005, SCPC again announced its intention to become an "open access" pipeline and successfully petitioned the Federal Energy Regulatory Commission (FERC) for permission to become an interstate pipeline under their jurisdiction. On November 1, 2006, SCPC made the conversion and became exclusively a transporter of natural gas - no longer a full service provider of natural gas. Along with the conversion to open access, SCPC merged with a sister company and became known as Carolina Gas Transmission Corporation (CGT).

Faced with significantly higher costs for significantly less service and the need for additional capacity to meet the needs of our rapidly growing systems, the management of PEG reviewed its options and again considered building a natural gas pipeline from an interconnect with the Town of Blacksburg to the systems of the three authorities. After careful analysis and consideration, PEG determined that building a natural gas pipeline was the best alternative for meeting the future capacity needs of the customers of the three authorities.

Not only does building a pipeline provide a lower cost alternative than subscribing for additional capacity from CGT, it also provides the authorities with greater operational flexibility and a higher level of reliability. Additionally, a pipeline provides infrastructure from which to build distribution laterals and enhance economic development.

In June, 2006, PEG borrowed \$31,975,000 through the issuance of revenue bonds in order to construct the pipeline. The bonds will be repaid over the next 30 years. Projections indicate that by building a pipeline, the avoided cost to our customers over the repayment period will be approximately \$60 million and when looked at over a 50-year time frame, the avoided costs are projected to be approximately \$140 million.

The pipeline is designed to be constructed in three phases:

- (1) From Kings Creek in Cherokee County to Sharon in York County;
- (2) From Sharon to McConnells in York County; and
- (3) From McConnells through northern Chester County ending at the Bowater Junction in southern York County.

(over)

## Feel the Heat Fund - Gas Authority to continue Year-Round Program for Fixed Income Customers

Wholesale natural gas prices rose to historical highs last winter after two major hurricanes ravished the Gulf Coast. Although, we do not believe that natural gas will be priced as high as last winter, consumers should expect their gas bill to rise as we get into the heating season.

For many elderly and disabled customers that are on fixed incomes, winter is especially hard. There are hundreds of folks in our community that are living entirely on social security or disability incomes and will find it very difficult to make ends meet. That is why we started the **Feel the Heat Fund**. Working with you and the United Way of York County to provide direct heating assistance to seniors and disabled customers, we can make a huge impact on the lives of those who are unable to pay high seasonal bills.

### It's easy to contribute to the Feel the Heat Fund

You can make a tax deductible donation to the fund by simply calling our Customer Service Department to let us know how much you would like to contribute each month. We will add that amount to your monthly gas bill. If you prefer, one-time donations may also be made.

Consider what can be done to impact the lives of our fixed-income citizens if every customer (with the means to help) would give \$1 per month.

**One dollar per month, the price of a cup of coffee, will make a significant impact on the lives of many fixed-income citizens in York County.**



### How are the monies to be distributed?

The **United Way of York County (UWYC)** is the lead agency for any funds collected through the Feel the Heat Fund. Periodically, the Authority will turn over 100% of all funds collected to the UWYC for distribution to qualified customers throughout our service area. The UWYC will assume total control of the funds and make all funding decisions based on the following criteria:

- The funds can only be used to help qualified senior and disabled customers based on federal income guidelines.
- The funds will be used solely for assistance in paying natural gas bills.

Please consider making a pledge. Just \$1 per month will go a long way toward helping others in the community. Call our Customer Service Department at 329-5254 today.

(Patriots Energy Group continued)

At the Bowater Junction, the pipeline will connect to an existing PEG line that crosses the Catawba River into Lancaster County. This will provide additional service to the rapidly growing panhandle of Lancaster County and the Fort Mill area of northern York County.

PEG has been surveying the proposed pipeline route and conducting environmental and archeological studies and working with landowners to minimize the impact of the pipeline on our fellow citizens and the environment. The pipeline will be constructed with safety as the most important consideration. If all goes well, easement acquisition and construction are expected to take about a year to complete, and the pipeline is expected to be in service by next heating season.

In addition to working to reduce the cost of capacity on which our natural gas is transported, PEG has also entered into several long-term supply agreements that will reduce the cost of our future natural gas supplies. Not only do long-term supply arrangements provide a cost advantage in the purchase of future natural gas supplies, the arrangements are structured in such a way as to increase the reliability of supplies. The long-term supply agreements with entities such as the Tennessee Energy Acquisition Corporation (TEAC) and the Municipal Gas Authority of Georgia (MGAG) are expected to provide cost reductions to our customers over the next 15 to 20 years amounting to tens of millions of dollars.

Patriots Energy Group was created by three authorities to realize economies in the purchasing and transportation of our natural gas supplies. By working together through PEG on projects such as the proposed pipeline and the long-term supply agreements, our intent is to ensure that our customers have a very reliable and cost competitive supply of natural gas now and well into the future.



## The Perfect Christmas Gift

If you're trying to decide upon that perfect Christmas gift, it's not too late to visit the Authority's appliance showroom. The appliance center with a large assortment of fire logs, grills, space heaters, gaslights and other products is located at 979 W. Main Street in Rock Hill. Our hours are 8:30-5:00 Monday-Friday. We accept all major credit cards. Call 329-5254 today!

## TECHNOLOGY IMPROVES CUSTOMER SATISFACTION AND CONVENIENCE

The management and staff of York County Natural Gas take pride in providing you with excellent customer service. Of course, our employees are the biggest reason for our success, but without the use of technology, it would be difficult to maintain the level of service that you expect and deserve.

The Authority invests regularly in technology and we strongly believe that the use of technology is the best way to provide you with efficient service at the lowest cost. Below are some of the ways we use technology at the Authority to enhance customer satisfaction.

**Automated Meter Reading (AMR)** The Authority uses AMR to accurately read your meter electronically. The system allows us to use 2 meter readers to read all meters and in most cases, your bill is generated the day after the meter is read.

**Interactive Voice Response System (IVR)** Provides you with a convenient way to access your account over the telephone for inquiries or to pay your bill. The system is available 24 hours a day - 7 days a week (except for planned downtimes). To access the system, simply dial 980-4877.

**York County Natural Gas Online (EPAY)** - Provides online access to your account for detailed inquiries or to pay your bill 24 hours a day - 7 days a week (except for planned downtimes). Register on the system by going to [www.ycnga.com](http://www.ycnga.com) and click on the EPAY button. Then click on Registration.

**New Phone System** - To serve you better, we have installed a new telephone system. This state of the art phone system allows you to directly reach more departments through the use of automated call distribution. When you dial 329-5254 you will have the following options available to choose from.

Press 1 for New Service, Billing Inquiries or Questions about an Existing Account  
Press 2 for Appliance Sales or Appliance Installation  
Press 3 for Dispatch or Construction

**E-Bill Notification** If we have your email address, we will send you a monthly email with billing summary information and a link to our website where you can view your bill online. You must register at [www.ycnga.com](http://www.ycnga.com) to be able to view the bill online.

**Electronic Checks** - We can now process electronic checks online through our E-PAY System. The new feature allows you to create one-time ACH debits from your bank account without the use of a debit card.

**Paperless Bills** You don't need that paper copy of your bill anymore, do you? With our new system, you can access and print your bills online. Beginning in January, customers will have the option of going paperless. If you can do without the paper, let us know and help us save some trees.

The employees of York County Natural Gas Authority wish you a safe and special holiday season. The Authority will observe the following holidays:

Christmas Holidays	Monday, December 25th Tuesday, December 26th
New Year's Day	Monday, January 1st
Martin Luther King Day	Monday, January 15th