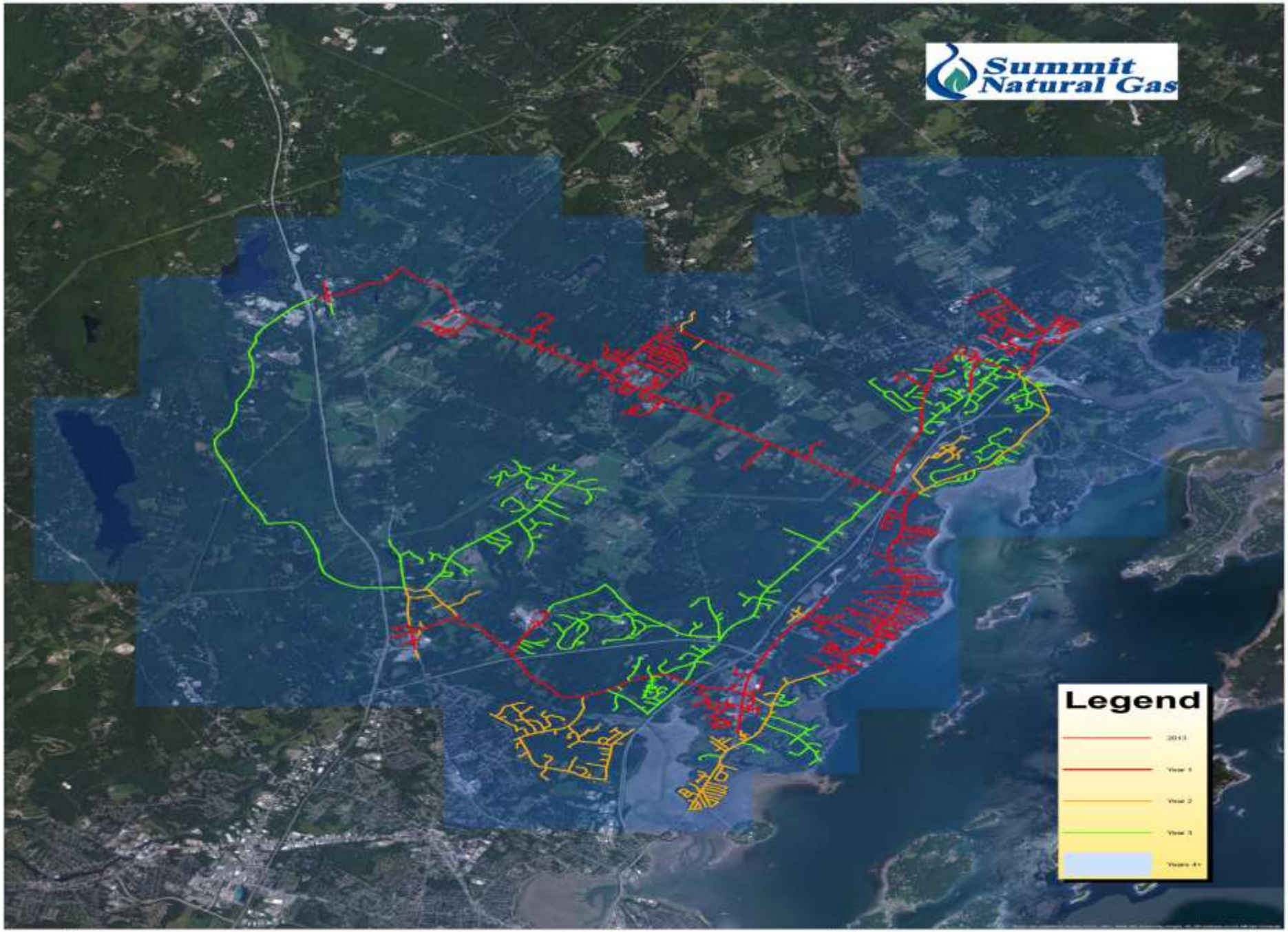
Summit Natural Gas

Town of Falmouth

Natural Gas Presentation

April 17, 2014

Cumberland, Falmouth & Yarmouth System Build Out



Project Overview

* Installation of system backbone throughout Cumberland, Falmouth and Yarmouth (CFY) in 2014
* Backbone infrastructure sized for total build out
* All pipe installed is distribution capable and street pressure

* Backbone located in corridors critical for overall system development
* Smaller diameter pipe – Demand based
* Looking to install small distribution pipe where there is expressed demand
* Natural gas infrastructure is a linear infrastructure – need to be able to ‘link’ demand to get to other areas

How does natural gas service work?

* 3 Components to natural gas service (Residential)
    1. Monthly Customer Charge
        * $20 a month
    2. Distribution Charge
        * $8.50 a decatherm/MMBTu
    3. Cost of Gas
        * $7.48 a decatherm/MMBTu

* Monthly Customer Charge and Distribution Charge are controlled under Summit's tariff
* Summit's rate plan approved by Public Utilities Commission (PUC)
* Allowed to increase rates from .75% up to 4% annually with justification

Overview of Cost

* Average fuel usage for a residential house =
  117 decatherms/MMBtu (850 gallons of #2 oil)
* $20 a month customer charge = $240 a year
* $240 dollars/117 MMBtu = $2.05 a MMBtu

* $2.05 + $8.50 + $7.48 = $18.03 a MMBtu

Comparison to Cost of Oil

* $X /.1385 MMBtu = $18.03 MMBtu
* $18.03 X .1385 = $2.49 a gallon

Cost of Gas

* $7.48 a decatherm/MMBtu
* Summit does not make money from sale of gas – Gas is simply a pass through
* Gas is essentially a ‘standard offer’

Cost of Service

* Cost to install distribution lines in streets covered in construction allowance – roughly every 400 feet between houses
* Service line install – covered in construction allowance roughly for 300 feet off the street to the house 'on average'
* Services beyond construction allowance will be subjected to a Contribution in Aid of Construction (CIAC)

Rebate Incentives

* Up to $1,500 for a qualifying replacement boiler, $1,125 for qualifying furnace
* $375 for a replacement burner
* $560 for 6 hours of energy sealing and an energy audit approved by Efficiency Maine

How the Incentive Rebate Process Works

* Quote received from a HVAC contractor that includes qualifying equipment
* Qualify for Efficiency Maine Trust low interest financing
* Work is completed
* Reimbursement request is submitted to Efficiency Maine