

County natural gas expansion project nearing end

By Brenda Silva

Special to Treasure Coast Newspapers

INDIAN RIVER COUNTY – The 3-year-old natural gas expansion project in north county is close to completion, with most of the project’s objectives already finished and one remaining phase still underway.

However, no residential and fewer than 100 commercial customers have connected to the gas line thus far.

The Florida City Gas project was planned in three phases, with a total cost of \$5 million.

The project first expanded gas availability into Fellsmere, then into Wabasso. The third phase expanded service into Sebastian. A fourth phase would reach the barrier island, but is still being considered. An estimated cost or timeline for phase four won’t be available until sometime next year.

The goal of this project is to expand cost-effective natural gas service to a growing population in north Indian River County, said Carolyn

PROJECT PHASES

PHASE I
 The expansion into Fellsmere, which was awarded a \$1.09 million grant to offset infrastructure costs, leaving a remaining cost of about \$300,000.

PHASE II
 Construction of a connector line, at a cost of \$1.2 million, from the 77th Street gate station in Wabasso to the existing gas system in Vero Beach.

PHASE III
 Underway and forecast to cost \$2.7 million, includes construction of a gate station for Sebastian and feeder mains into the downtown area.

PHASE IV
 Scheduled to focus on the barrier island, it is still being considered, with no estimated cost or timeline available until sometime next year.

Bermudez, Florida City Gas general manager and vice president.

“Since natural gas is a domestically produced energy source in abundance, it’s affordable and reliable,” she said. “As such, it holds a distinct cost advantage over other forms of energy such as electricity, fuel oil and propane. Because of its savings and efficiency, we can better serve our customers.”

While grants have helped defray costs, the remaining financial responsibility comes down to natural gas customers based on individual customer usage.

“The projects are funded by customers, and recovered through rates over time. The public/private partnership is achieved through franchise agreements in place with the cities and Indian River County,” she said.

PROJECT FACTS

BASED ON PHASES I TO III
Timeline: 4 years (Phase III to be completed spring 2016)
Cost: \$5 million
Current customers: Commercial, 94; Residential, 0

“The fees collected from customers on behalf of the city/county are intended to offset their costs for maintaining rights of way and engineering.”

All natural gas customers from this project are commercial users, with all who were offered a contract for converting to natural gas accepting the service. However, no residential homes are receiving gas service from the expansion project.

Marc Seagrave, director of regional operations and market development for Florida City Gas, said the numbers of potential residential customers, and the financial considerations to provide service to them, are what dictate natural gas service options.

“One reason we don’t have any residential

customers yet is because the service would be too costly for the customer,” he said. “Once there are more residences that want the service in an area, this drops the cost for the customers to receive the service.”

Seagrave said it costs Florida City Gas \$1,250 to install residential service. Proximity to a gas main line is important; the farther away a home is from the main gas line, the more the price increases for installation.

With no gas main conveniently located, the costs only become feasible when more homes request service, bringing down costs for both the service provider and each homeowner.

Based on energy industry estimates, the efficiency of natural gas

(reported at 70 percent), when compared with electricity (reported at 100 percent), seems to evidence itself. However, the cost-effectiveness of natural gas becomes apparent in rebates available to customers who switch to natural gas service, as well as for customers who replace their electric appliances to gas. When all the factors are taken into consideration, natural gas can offer an energy conservation of approximately 50 percent over electricity and propane usage, resulting in lower costs.

The cost-effective appeal of the expansion project provides another benefit, according to Wesley Davis, County Commission chairman.

“From an economic perspective, it saves the residences and businesses money. For the future, it makes us more competitive with other counties for new projects, which makes it a benefit to everyone living or doing business in Indian River County.”