

**Background on
Gas Fund Transfers
to the General Fund**

Presentation to the

Budget Oversight Committee

March 21, 2006

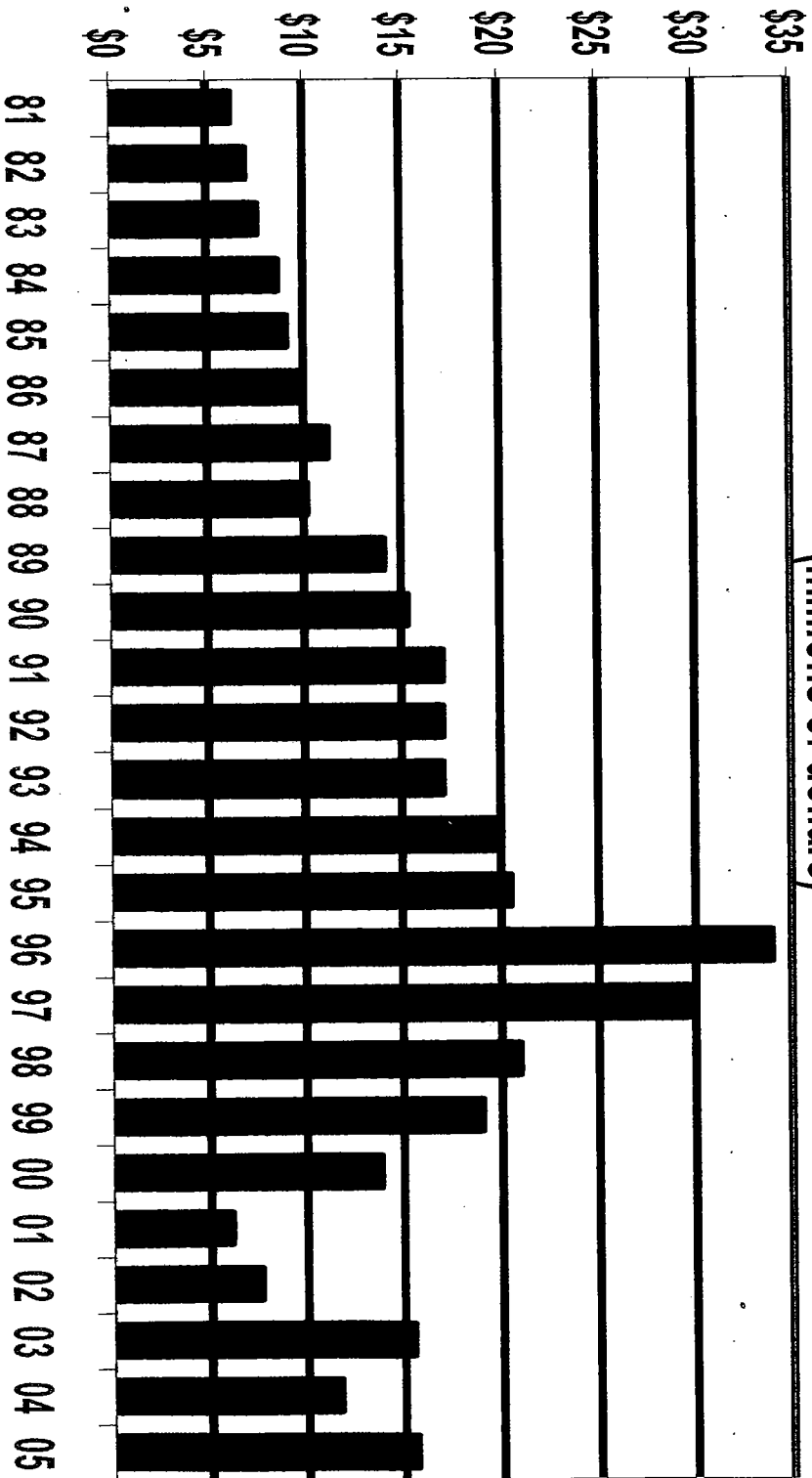
City Charter, Section 1501

All gas utility revenue shall be disbursed in the following priority:

- Pay any debt payments due**
- Pay annual operating/maintenance costs**
- Set aside operational contingency reserve**
- Remaining money may be transferred to the General Fund**

Gas Fund Transfers to General Fund

(millions of dollars)

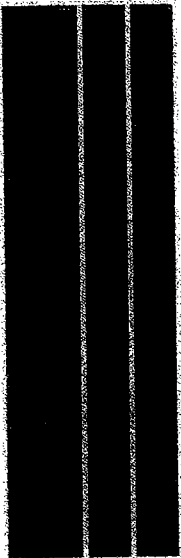


Fiscal Year

Infrastructure Needs

- **Majority of gas pipeline installed during City's peak growth period of 1940's thru 1960's**
- **Pipeline installed during this era is nearing end of economic useful life**
- **FY 06 is the start of long-term pipeline replacement program**
- **Paid for with cash revenues and Commercial Paper program**

Gas Pipeline Installation



1990's
1980's
1970's

1960's

1950's



1940's
1930's
1920's