



Your Natural Gas Bill

A Publication Of The Missouri Public Service Commission

Your natural gas bill is based primarily on the volume of gas delivered to your residence or business, and the per unit price of that gas. It consists of three main parts:

Commodity costs – The cost of the gas itself. The local gas company passes the commodity cost to you without any additional markup. This is unregulated; the marketplace dictates price, not a federal or state agency.

Transportation costs – The cost to move the gas by pipeline from its source (e.g., the Gulf Coast) to your local gas company (or utility). Regulated by the Federal Energy Regulatory Commission (FERC).

Distribution costs – The cost to bring the natural gas to your residence. Regulated by the Missouri Public Service Commission.

Billing Information (See sample bill on back)

Purchased Gas Adjustment (PGA) – The PGA reflects the wholesale cost of gas paid by the company to its suppliers. The local natural gas company may adjust rates -- up or down -- a maximum of four times a year to reflect projected gas costs from suppliers. The actual wholesale cost of natural gas represents approximately 65 to 75 percent of a typical customer's bill.

Customer Charge – This charge allows the company to recover a portion of its cost to maintain and operate the facilities necessary to serve its customers and an opportunity to earn a rate of return on its investment. It is the same regardless of use every month. However, each customer class -- residential, commercial and industrial -- pays a different customer charge. The higher the Customer Charge the lower the Energy Charge.

Energy Charge – This charge represents what the company charges per unit of gas (Ccf or therm) delivered to each customer. This charge is designed to allow the company to recover operational costs not covered by the Customer Charge, and the opportunity to earn an authorized rate of return. **Both the Customer Charge and the Energy Charge are regulated by the Missouri Public Service Commission.** (Some companies have a fixed "Delivery Charge" that combines the customer and energy charge.)

Ccf – Natural gas is sold according to the volume of gas used. Ccf is the abbreviation for 100 cubic feet. A Ccf is approximately equal to a therm. An Mcf is 1,000 cubic feet of gas.

Franchise Fee – This is a tax that is levied by local municipalities which the company collects and passes on to those cities. This fee varies from city to city and is not regulated by the Public Service Commission.

Key Factors That Affect Price

A prolonged cold spell or brief episode of severe winter weather would increase demand in the high-consumption winter months.

Limited natural gas supplies could affect storage inventories and market prices.

Problems in other energy supplies, such as a prolonged disruption in oil supplies could increase gas demand.

For more information

Created in 1913, the Missouri Public Service Commission regulates investor-owned telecommunications, water and sewer, natural gas, electric and steam utilities. The PSC works to ensure that Missouri citizens receive safe, reliable and reasonably priced utility services. If you have an inquiry, billing question or service-related problem that your utility provider cannot answer, please call the PSC at 1-800-392-4211 or visit www.psc.mo.gov



**YOUR NATURAL GAS BILL
BY THE NUMBERS**

- 1 Bill Period: To & From Dates
- 2 Meter Readings: Subtract previous reading from present reading to calculate how much energy you used.
- 3 Customer Classification
- 4 City Taxes or Franchise Fee
- 5 State Sales Tax
- 6 Some companies will just list a total gas charge, while other companies will show separate line items for customer and energy charges and PGAs.
- 7 The fee that can be charged if your payment is received after the date due.
- 8 Location of service: Shows address where service was received.
- 9 Latest payment received information
- 10 Mailing address. This can be different than location of service.
- 11 Amount owed and date your payment is due. If paid after date listed, the bill is considered delinquent and the late payment penalty will be assessed.

Date of Service	Meter Reading
From/To 1	Past/Present 2
Rate: 3 Anywhere Tax: 4 MO Sales Tax: 5 Current Charges: 6 Late Payment Penalty: 7	

Acct. No. xxxxxx
Amount Due: \$xxx.xx on 1/1 **Past Due On:** 1/15

Service At: Your Residence or Business **8**

Your Last Payment: 12/1 \$xxx.xx **9**

Acct. No. xxxxxx **Bill Date:** 12/15

John Doe **10**
Street Address
Anywhere, USA

The above is designed for information purposes to give natural gas customers an idea of what a typical bill may look like. Please note that all PSC regulated natural gas companies do not issue uniform bills.