

Understanding Higher Bills and Gas-Cost Recovery

We purchase natural gas for our customers and “recover” those costs through your monthly bill.

Those costs are not marked up, meaning we do not profit from purchasing gas.

Gas costs are passed on to you on a dollar-for-dollar basis.

Here’s how it works!

The cost of gas fluctuates, can be difficult to predict and can vary by geography.

The rate you are charged for gas is pre-determined and approved by state public service commissions.

The company adjusts rates, with commission approval, to reflect these changes in gas costs.

When gas prices are higher or lower than the approved rate, the company must change rates in the next filing to make up the difference.

Even when the cost of gas has decreased, it takes time to recover from large increases.

Recovering those costs slowly and over many months lessens the impact on customer bills.

Consider this...

If the price of gas never changed, the rate we charge for gas wouldn’t change either.

Or, if the price of gas was very predictable, the approved rate adjustments would reflect gas prices in real time.

The average residential home uses 70 Dekatherms of gas per year.

If gas is \$8 per Dekatherm, the average residential customer would pay \$560 per year.

Remember, even if your natural gas usage doesn’t change, changes to the cost per Dekatherm affect your bill.

Thank you for watching!