

Decoding Your Natural Gas Bill

Many charges factor into the total cost of your monthly gas bill. This guide will help explain what the various line items on your bill mean, and how they are calculated. Note: Depending on the company, the exact terminology used could vary as indicated in some of the definitions shown below.

Energy Usage

A chart displayed on your monthly bill shows the amount of energy used during each of the previous 13 months. Additional data varies by utility, such as average monthly temperature, average amount used per day, and average cost per day for the billing month, previous month and same time last year.



Summary of Rates and Charges

Customer Charge – Also referred to as the Service Charge or Facility Charge, the customer charge partially recovers the fixed costs of providing natural gas service to customers. These fixed charges can include bill processing, meter equipment, maintenance, and customer service personnel to answer customer inquiries.

Delivery Charge – Reflects the cost of maintaining and operating the company's natural gas delivery system.

Gas System Reliability Surcharge – A monthly charge, authorized by the Kansas Legislature in the Gas Safety and Reliability Policy Act (K.S.A. 66-2201 through 66-2204), that recovers costs associated with pipeline safety. The Kansas Corporation Commission is responsible for confirming that the proposed surcharge has been properly calculated and is based on eligible projects.

Weather Normalization Adjustment (WNA) – An adjustment that reduces the impact of weather extremes on the Delivery Charge portion of your bill. It appears as a credit if the weather was colder than normal or as a debit if the weather was warmer than normal.

Cost of Gas – The quantity of gas used (measured in CCF or Mcf) multiplied by the price. The wholesale price of natural gas is not regulated, a decision made by the U.S. Congress in the 1980s. The price is determined by natural gas suppliers and is based on available supply and demand. Utilities pass the cost through to customers without a profit or mark-up.

Gas Hedge Charge – Billed only during the months of April through October, the Gas Hedge Charge is used to purchase protection from extreme price increases that might otherwise impact customers' cost of gas during the winter.

Franchise Fee – A fee levied by and paid to local municipalities.

City or County Tax – Sales tax assessed on utility service by some cities and counties.

