You should know...

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North Dakota Public Service Commission

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Your Gas Bill

Your gas bill can change greatly from month-to-month.

Your natural gas bill includes charges for two general types of cost: ***Cost of Service*** and ***Cost of Gas***.

Cost of Service

Includes your share of the cost of pipes, meters, administrative services, and every cost associated with delivering gas from the town border to your residence or business. These costs generally show on the bill as two charges: a daily or monthly Basic Service Charge and a charge per dekatherm (DK) or MCF sometimes called a Distribution Charge. These charges are regulated by the Commission (NDPSC).

Cost of Gas

Includes the price the utility pays to producers for the natural gas and the price to have the gas stored or delivered to the town border. These costs generally show on the bill as a charge per dekatherm (DK) or MCF and may be called the Cost of Gas Adjustment or the Purchased Gas Adjustment.

The prices that producers charge for natural gas were deregulated by Congress in 1978, so the NDPSC has no control over the price. Prices for gas are set by producers under competitive market conditions--supply and demand. Gas prices are usually higher in the winter months due to the increased demand from heating customers.

The prices the utility pays for storing natural gas or for delivering it to the town border are regulated by the Federal Energy Regulatory Commission.

The cost of gas is passed along to customers on a dollar-for-dollar basis, the utility makes no profit from gas purchases. Cost of gas adjustment information can be found under "Consumer Information" on the PSC website at http://www.psc.state.nd.us.

The Role of the NDPSC

The cost of gas is the portion of your gas bill that can change the most from month to month. For this reason, the utility is required to make a monthly filing with the NDPSC to reflect the most current cost of gas.

In addition to regulating cost of service, the NDPSC may review a utility's gas purchasing practices at any time to ensure the maximum economies in those operations that affect the gas costs passed on to consumers. In making this review, the NDPSC may hold an evidentiary hearing.

How to Manage Higher Gas Bills

- Cut back on the use of natural gas. Check with your gas utility and other resources for cost effective ways to conserve on the use of natural gas.
- Take advantage of energy assistance programs administered by different levels of government or by the gas utility. These programs provide monetary assistance to qualified consumers and make the gas bill more affordable.
- Take advantage of bill payment plans offered by the gas utility. These plans allow consumers to average payments, paying reduced amounts during winter months when gas usage is higher, and paying more during times of the year when the gas usage is much lower.

Energy market information is available on the DOE's Energy Information Administration website at http://www.eia.doe.gov.

Rules covering gas service can be found in ND Administrative Code Chapter 69-09-01.
If you have questions about your gas bill, contact the NDPSC at 701-328-2400.