

Natural Gas and You: Understanding Your Natural Gas Bill

Ontario Energy Board

SYSTEM GAS CONSUMER

Natural Gas Commodity:
Utility rate (cents/cubic metre) x natural gas used (cubic metre)

If you do not sign a contract with a natural gas marketer, you are buying system gas from your local gas utility. Your utility does not earn a profit on the natural gas it purchases for you. You pay the actual cost of the gas that the utility buys in the market on your behalf.

The market price of natural gas can vary significantly day-to-day and month-to-month depending on supply and demand. Utility gas prices are approved by the Ontario Energy Board and can change every three months to reflect market prices. From time to time, you may be credited or charged for the difference between what your utility charged you for the natural gas and the cost at which it was actually purchased. For Enbridge Gas Distribution Inc, and Natural Resource Gas Ltd., these adjustments are shown on your bill as a rate surcharge, in cents per cubic metre, or as a one-time credit or charge. For Union Gas customers, these adjustments are included in your Gas Supply Charge or as a one-time credit or charge.

Gas Delivery Charge:
rate (cents/cubic metre) x natural gas used (cubic metre)

The gas delivery charge includes the costs for the transportation of natural gas to Ontario, storage, distribution from your local gas utility to you, and a regulated rate of return, or profit, on the investment your utility has made in the gas distribution system.

Changes in the cost of natural gas may also impact your gas delivery charge because the operation of pipeline systems uses natural gas. For example, compressors that push natural gas through the pipelines are fueled by natural gas. Natural gas used for these purposes may be included as part of your delivery charge, even for those with fixed price contracts with a natural gas marketer.

While there are separate rates approved by the OEB for transportation, distribution and storage, your bill may show them as one item or have separate lines for each item.

Customer Charge: fixed charge per bill

This charge is for the administration of your natural gas account. It is a fixed charge approved by the OEB for services such as meter reading, customer services, equipment maintenance and emergency response.

same for direct purchase consumer



NATURAL GAS MARKETER CONSUMERS

Natural Gas Commodity:
Contract price (cents/cubic metre) x
natural gas used (cubic metre)

Natural gas marketers generally offer a guaranteed price over a fixed period. The price charged by natural gas marketers on your bill reflects the contract price agreed to between you and the marketer. It is important to understand the choices you have and shop around.

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rate (cents/cubic metre) x natural gas used (cubic metre)

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