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CUB*Facts*

Helpful information for Illinois utility consumers from the Citizens Utility Board

Making Sense of Your Gas Bill

Natural gas usage is billed by the therm. One therm equals the amount of natural gas needed to run a typical residential furnace for one hour. Your gas meter measures the volume of gas in cubic feet, which is converted to therms on your bill.

A customer's previous and current meter readings are listed on the bill, and the difference between the two is the gas usage for the current billing period.

There are three types of charges on gas bills: fixed monthly fees, gas costs and taxes and surcharges.

Fixed monthly fees, such as the customer and distribution charges, are set by the Illinois Commerce Commission (ICC) and stay the same no matter how much natural gas you use. Gas costs vary monthly based on your usage and the changing price of gas bought by the utility.

Utilities should go to a customer's home and read the gas meter at least once every other month. Check your bill to make sure that it is not being estimated more than two months in a row. If it is, call the utility, ask why it's not reading the meter, and request an actual reading.

If a utility does estimate usage, the amount will be based on last year's usage for the same month, adjusted for weather.

Consumers with questions about their natural gas bills can call CUB's Consumer Hotline, 1-800-669-5556.

Common Charges on Gas Bills

Distribution charge: The ICC sets the rate your utility can charge you for delivering natural gas through its pipes. Gas usage is converted to therms and multiplied by the rate to come up with the charge. It's also sometimes called the **energy charge** or the **delivery charge**.

Customer charge: This fee is supposed to cover all the company's fixed service costs, such as billing and meter readings, that don't vary with usage. It's also called the **basic service charge** or the **account charge.**

Purchased gas adjustment charge: Under the law, gas utilities don't make a profit off this per-therm charge, which is used to pass along the price of natural gas that utilities pay to suppliers. The ICC doesn't approve the charge in advance. However, the commission reviews the charge annually and can order a refund for customers if it finds the utilities weren't using sound business practices to buy gas at a reasonable cost. It also is called the **cost of gas** charge, the **natural gas cost**, the **gas charge adjustment** or the **gas supply charge.**

State utility tax: This charge is 5 percent of current charges before taxes or 2.4 cents per therm, whatever is lower. At current gas rates, customers are paying the per-therm rate. The tax also is called the **public utility tax** or the **Illinois gas revenue tax**.

Municipal tax: Municipalities can impose their own utility taxes, but state law caps the amount they can collect. It's also called a **franchise tax.**

Regulatory tax: This tenth-of-a-cent tax helps fund the ICC, which regulates Illinois utilities. It's also called the **Illinois CC assessment**, the **Illinois gross revenue tax** or the **utility fund tax**.

Environmental adjustment charge: The ICC allows companies to charge customers for the cost of cleaning up toxic waste at old gas manufacturing sites. This per-therm charge also is called the **environmental charge**, the **environmental activities adjustment,** the **environmental activities charge** and the **environmental recovery** charge.

The Customer Charge and Distribution Charge

The chart below summarizes two major charges on your bill that are set by the Illinois Commerce Commission (ICC). Keep in mind that these two charges don't include the Purchased Gas Adjustment (PGA), which fluctuates based on the market price of gas and can take up 75 percent of your bill.

Company	Monthly Customer Charge*	Distribution Charge (per therm)
Nicor 1-888-642-6748	$14.08	4.85 cents for all therms
Peoples Gas 1-866-556-6001	$16.03	33.606 cents for first 50 therms 10.58 cents above 50 therms
North Shore Gas 1-866-556-6004	$14.03	23.803 cents for first 50 therms 6.356 cents above 50 therms
AmerenIP 1-800-755-5000	$20.50	7.61 cents for all therms
AmerenCILCO 1-888-672-5252	$16.95	6.718 cents for first 90 therms 4.3 cents above 90 therms
AmerenCIPS 1-888-789-2477	$19.04	7.287 cents for all therms
MidAmerican 1-888-427-5632	$11.03	8.797 cents for all therms

*The "Monthly Customer Charge" listed includes a 48-cent charge that goes into a state fund to subsidize heating costs for low-income households as well as a nickel charge that goes into a state fund for the development of renewable energy and "clean coal technology."