



Office of the Ohio
Consumers'
Counsel

Your Residential Utility
Consumer Advocate

CONSUMERS'
FACT
SHEET

Office of the Ohio
Consumers' Counsel

65 East State Street
7th Floor, Columbus, OH
43215

E-MAIL:
occ@occ.ohio.gov

WEBSITE:
www.occ.ohio.gov

Guide to understanding your NATURAL GAS BILL



With the busy schedules of many consumers, most do not have time to completely read their utility bills when they arrive in the mail or online. They seek out the bottom line which tells how much is owed and when the bill is due. However, by being more diligent and taking the extra time to better understand how utilities are priced, consumers can customize their energy usage and save money on their monthly bills. The Office of the Ohio Consumers' Counsel (OCC) developed this fact sheet to help you increase your knowledge of how natural gas is priced and how to read a gas meter.

Usage and meter reading

Natural gas is measured in one of two ways: hundred cubic feet (Ccf) or thousand cubic feet (Mcf).

Your natural gas utility may read your meter or estimate how much natural gas you used each monthly billing

cycle. Generally, natural gas companies obtain an actual reading every other month although automated meters are becoming increasingly common, enabling monthly readings.

If your meter is inside and automated meters have not yet been installed, it may not be possible for a utility worker to regularly read the meter. In that case, several months may elapse between actual readings. Estimated readings may be used to calculate usage in the interim.

An estimated reading is taken using a formula that considers various factors. Outside temperature is considered as well as a review of your usage during the same month in previous years. When an actual reading is taken, the usage level is adjusted on the following month's bill. The OCC recommends that you become familiar with how to read your natural gas meter to ensure you are being billed correctly.

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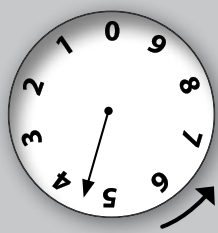
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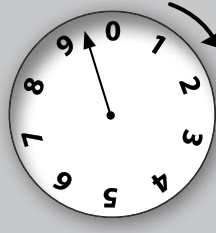
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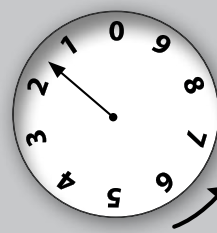
Natural Gas Meter Reading Lesson



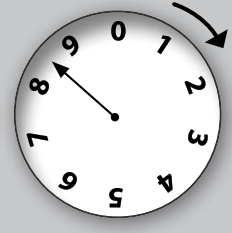
Reading: 4
Counterclockwise



Reading: 9
Clockwise



Reading: 1
Counterclockwise



Reading: 8
Clockwise

The meter above reads 4918. For the purposes of this example, the previous natural gas bill recorded a meter reading of 4818. **The Current Reading (4918) minus the Previous Reading (4818) equals 100. So, in this example, you have used 100 Ccf of natural gas since your last natural gas meter reading.**

How to read your meter

Gas meters are located either inside the home, usually in the basement utility closet, or outside the home. The gas meter resembles a metal box with pipes extending from it. The meter's face has four round clock-like dials with digits 0-9 displayed on each one.

Use the following steps to read your meter:

1. Locate the four dials and always remember to read them from left to right. The pointer on the first dial of a gas meter circles counterclockwise, the second dial turns clockwise, the third moves counterclockwise and the fourth travels clockwise.
2. Notice the pointer in each dial and write down the number indicated by its position. When the pointer is between two numbers, the reading for the dial is the smaller of the two numbers.
3. If the pointer is directly on a number, that number is the reading. When it is difficult to tell if a pointer is directly on a number, look at the dial directly to the right. If the pointer on that dial has not passed zero, record the smaller number of the two.
4. To discover how much natural gas has been used since the last meter reading, subtract the **actual** reading indicated from the last utility bill

from the manual reading. After this first reading consumers can track their own natural gas usage and compare them against the monthly bill sent by the utility.

5. To monitor natural gas usage on a daily or weekly basis, schedule a time to do a reading then return at the same time the next day or next week to read the meter again. Determine the usage by subtracting the previous reading from the latest reading.

After this first reading you will be able to keep track of your own readings and compare them with your monthly utility bill. Remember that natural gas is measured in either hundreds (Ccf) or thousands (Mcf) of cubic feet.

Natural gas bill structure

Your natural gas bill generally consists of two main parts – the **delivery or distribution** cost and the **actual** cost of the gas.

The distribution cost generally accounts for about 35 to 40 percent of your natural gas bill. This cost pays for services provided by the local utility, such as delivery of natural gas to your home, installation and repair of pipelines and meter-reading equipment, bill processing and other functions. The bulk of the distribution fee will appear on

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The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts.

The state agency also educates consumers about electric, natural gas, telephone and water issues.

For more information, please visit the OCC website at www.occ.ohio.gov.



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your bill separately or as part of a service charge. There also is a charge for usage, which is based on the amount of gas used each month.

The cost for the actual gas, which generally accounts for about two-thirds of your bill, is passed on by the utility on a dollar-for-dollar basis and includes transportation costs paid by the local distribution company that receives and delivers your natural gas supply.

By law, Ohio's local distribution utility companies may not profit from the resale of the natural gas commodity. The cost of the actual gas used by customers can be no higher than the amount the utility paid in purchasing it. Ohio's natural gas companies use several different pricing mechanisms to determine what they charge their customers. On its website, www.occ.ohio.gov, the OCC offers fact sheets discussing the pricing structure for Columbia Gas of Ohio, Dominion East Ohio Gas and Vectren Energy Delivery of Ohio. Duke Energy continues to price its natural gas through a monthly gas cost recovery (GCR) rate.

Reading the bill

Each natural gas company designs its billing statement differently. For example: one company may show your usage history as a bar graph, while another uses a table. No matter which format is used, all bills are required to list the following information:

- The company name and address;
- A telephone number for you to call if you have questions about your bill;
- Your customer account number;
- Beginning and ending dates, as well as the number of days within the service period;
- Beginning meter read; ending meter read; total usage, next reading date;
- Whether the meter reading is estimated or actual;
- The date your bill is due;
- The total charges for the billing period;

- Amount of any late payments you may have due;
- Your previous balances, customer credits and total balance;
- If you are participating in a budget plan, your current balance;
- The actual cost of the gas, either measured in Ccf (hundred cubic feet) or Mcf (thousand cubic feet);
- The total cost of gas from the past month. This charge usually includes the total cost of gas in dollars and cents, a transportation cost and either the gross receipts tax or your county sales tax, whichever is applicable;
- The fixed monthly customer charge;
- Service summary notes giving you information about energy consumption and how it relates to your current charges. This includes information about the next actual meter reading;
- Daily comparisons showing the average daily temperature and average daily gas use for the current month, previous month and the same month last year;
- Contact information for the OCC and the Public Utilities Commission of Ohio (PUCO); and
- An Apples to Apples notice provides information about competitive choice in natural gas supply at www.energychoice.ohio.gov/ApplesToApplesCategory.aspx?Category=NaturalGas

Paying the bill

There are a variety of ways to pay your natural gas bill. Some are free of charge, such as automatic direct payments and online bill payments. Others incur convenience charges, such as credit card and electronic check options or payment at authorized agent locations. Mailing a payment to your natural gas supplier is an option as well. These are discussed in more detail in the OCC's fact sheet, *The Cost of Convenience: Paying Your Natural Gas Utility Bills*, available at www.occ.ohio.gov.