

# Facts About Natural Gas

## Your natural gas bill

Approximately 55% to 60% of a customer's current natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission and is primarily driven by supply, demand and the weather.

The remaining 40% to 45% of a customer's monthly natural gas bill reflects the local natural gas company's cost of delivering that natural gas (through natural gas mains and service lines for example) to your home or business in a safe and usable form.

## Public Service Commission Regulation

The Commission regulates investor-owned natural gas companies in Missouri. The Commission does not regulate the natural gas rates of municipally-owned natural gas systems and it does not regulate propane.

The Commission regulates municipally-owned natural gas systems regarding pipeline safety.

When a local natural gas company seeks to change its rates to reflect a change from the wholesale supplier, it must file a request with the Commission. Such filings are reviewed by the Public Service Commission Staff to ensure the information is correct and the proper change has been made to consumer rates.

## The cost of natural gas to your local gas company

The price of natural gas paid by your local natural gas company to its supplier(s) consists of two major components:

- The price of the natural gas at the wellhead.
- The rate for transporting that natural gas from the wellhead to your local natural gas company.

## Quick fact

If it is very cold outside, your furnace will run longer to continue to heat your home at the temperature you set on your thermostat.

## Supply / Demand & the Weather

Natural gas prices from wholesale suppliers tend to fluctuate up and down during the course of a year. Historically, natural gas prices tend to go up when demand is higher and go down when demand is lower.

Consumer natural gas bills will also vary according to the weather. If a winter is unusually cold, consumer bills tend to be higher reflecting the additional use of natural gas.

## What you can do to manage your bill

- Consider contacting your local natural gas company to ask about budget billing, which spreads total energy costs over a 12-month period.
- Have the furnace checked and tuned-up if needed. Replace furnace filters each month if dirty.
- Place weather-stripping around doors, use plastic film covering and caulk windows to keep heat from escaping your home.
- Place an approved insulated cover-jacket around your hot water heater.
- Add attic insulation if necessary.

## Important safety tips

### What To Do If You Smell Natural Gas

- EVACUATE the building.
- DO NOT operate electrical switches or light matches or other open flames.
- DO NOT start your car if it is in an attached garage.
- GO TO a neighbor's house and call your local natural gas company to report the odor and its approximate location.

## Did you know?

Natural gas itself does not have an odor—an odorant has been added so natural gas can be detected if a leak occurs. The odor is similar to the smell of “rotten eggs”.



## Missouri Public Service Commission

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