

Budget Billing for Natural Gas and Electric Service

Fluctuating energy prices can have a dramatic influence on monthly energy bills. In addition to following conservation tips and considering competitive supplier options, consumers can take advantage of budget billing to offset increased energy costs for heating during the winter months and cooling during the summer months.

Budget billing is a program, offered by Ohio's regulated electric and natural gas distribution companies, that spreads out the cost of energy used during high-demand times of the year. Instead of seeing an increase in winter heating bills or summer cooling bills, budget billing breaks down total yearly usage into manageable monthly bills.

How does budget billing work?

Your utility company will review your usage history. Based on that information and expected energy prices, the company will determine your budget amount. You will pay that amount throughout the budget billing period, which usually runs from August through July. Some companies offer different programs, such as quarterly budget billing.

At the end of the budget period the company will review your actual usage. You will then receive a bill for an amount that may be higher or lower than your budget amount. This is called a "true-up" or settlement. The true-up makes sure that what you paid on the budget plan matches what you actually used during the budget period. You may either receive a credit if you paid too much during the budget period, or have to pay the difference if you did not pay enough during the budget period.

The company will then adjust your budget payment for the next period based on the previous period's actual usage.

What happens if energy prices decrease or increase during the budget period, or if I use more energy than was expected?

During the budget period, your utility company may review your budget amount, usage, and energy prices. The utility company may make adjustments to your budget amount so that your budget amount more accurately reflects your usage and energy prices. At the end of the budget year, when you receive your true-up amount, any over or under collection will be taken care of at that time.

How do I sign up for budget billing?

Contact your natural gas or electric utility company. They can provide you with specific information. Each utility company may have different budget periods and budget plans available. Be sure to ask when the budget period begins and when adjustments to your budget amount can be made.

Since budget periods usually begin in August, the later in the year you sign up, the higher your budget amount will be.