



The Public Utilities  
Commission of Ohio



www.PUCO.ohio.gov  
(800) 686-PUCO (7826)

## Natural Gas Industry Terms for Business Customers

As the cost for natural gas continues to rise, small businesses have to work harder to manage natural gas costs. Knowing and understanding your natural gas bill is an easy way to make sure you are paying the correct amount for your natural gas service, and to monitor your usage to maximize efficiency efforts. Here are some terms to help you understand your natural gas bill.

- *Base Rate* – Recovers non-fuel related expenses such as capitol costs, personnel, and facilities and equipment. It also includes a component which allows the utility to recover a profit return for its shareholders.
- *Ccf* – A unit equal to one hundred cubic feet, usually used to measure natural gas usage.
- *Customer Charge* – A fixed monthly charge intended to recover costs such as metering that do not vary according to usage.
- *Expected Gas Cost* – A component of the Gas Cost Recovery (GCR) rate, this is the price the local utility expects to pay for natural gas in the upcoming GCR period.
- *Gas Cost Recovery (GCR) Rate* – A mechanism that provides a dollar-for-dollar recovery of costs incurred by a local utility to purchase and deliver natural gas to its system. The GCR rate enables the local utility to correct any over or under collections of natural gas during the previous period.
- *Unrecovered Gas Costs* – The unrecovered gas costs are used to reimburse or charge customers for any over or under recovery of previous year's gas cost charges. Although all customers are assessed unrecovered gas costs, following 12 month's participation as a Choice customer, the charge is eliminated from the customer bills. Because the unrecovered gas costs only impact the transportation charges of Choice customers of less than 12 month's participation, the total rate of the *Apples to Apples* chart is calculated with these customers in mind.
- *Gross Receipts Tax* – When natural gas is purchased from a local utility, it is not subject to Ohio sales or use tax. The local utility must pay a gross receipts tax, which is included in the GCR rate charged for the natural gas based on the volume of gas consumed.
- *Mcf* – One thousand cubic feet, a unit used to measure natural gas usage.
- *Natural Gas Choice* – A program that allows consumers to choose the company that supplies their natural gas. Under natural gas choice, the local natural gas utility continues to deliver the gas to customers.
- *Transportation Rate Charge (Columbia Gas of Ohio)* – The transportation rate charge is comprised of a base rate, Percentage of Income Payment Plan rider, temporary base rate revenue rider, excise tax rider, uncollectible expense rider, competitive retail natural gas service surcredit rider, and GCR transition rider.

- *Transportation Rate Charge (Cincinnati Gas & Electric)* – This charge, which can fluctuate quarterly, is comprised of a gas usage charge and gas cost charges.
- *Transportation Rate Charge* – This charge is comprised of a base rate, Percentage of Income Payment Plan rider, uncollectible expense rider, competitive retail natural gas service surcredit rider, and a mitigation rider that includes unrecovered gas costs and an operational balancing capacity cost.
- *Transportation Rate Charge (Vectren Energy Delivery of Ohio)* – This charge, which can fluctuate quarterly, is comprised of a base rate, transportation program cost, mitigation rider, Percentage of Income Payment Plan rider, excise tax rider, uncollectible expense rider, GCR transition rider, and gross receipts excise tax.
- *Usage History* – The portion of your bill that shows a 13-month comparison of natural gas usage.

**If you would like to know more about the PUCO or have utility-related questions or concerns,**

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