Table 2. Sample Natural Gas Bill for a Commercial Customer

Charges				**Rate - LVG**	1
Delivery					
Service Charge				$91.89	2
Distribution charge					
First	1000.000 therms	x	$0.0668400	66.84	3
Next	1316.286 therms	x	$0.0440400	57.97	
Demand	99.707 therms	x	$3.509082	349.88	4
Balancing charge	2205.920 therms	x	$0.09595540	211.67	5
Societal Benefits	2316.286 therms	x	$0.03879050	89.85	
Total Delivery				**$868.10**	6
Supply					
BGSS Commodity	2316.286 therms	x	$0.966873	2239.55	7
Total Supply				**$2239.55**	
Total gas charges				**$3107.65**	8

Usage	**Meter 123456789**	
Actual Reading Feb 1	17873	
Actual Reading Jan 1	15652	
Difference	2220	
Conversion to CCF	x 1.0120	*(CCF = One hundred cubic feet)*
CCF Total	2246.640	
Conversion to therms	x 1.031	
Total therms	2316.286	8

[1]LVG is a Large Volume Service tariff. Billing for residential and small commercial customers will often be simpler but typically includes some of the same charges.

[2]This is the fixed monthly service charge for the Large Volume Service tariff.

[3]Note that these charges, based on **usage,** which are intended to pay for the cost of delivering gas, are lower after the first 1,000 therms. This reflects the need to cover the fixed costs of operating a distribution network.

[4]This charge is based on **demand,** in this case the average daily **usage** in therms for the wintertime month with maximum consumption. For this bill the demand rate is approximately $3.51 per therm.

[5]The balancing charge is an additional adjustment that accounts for the imbalance between summer and winter gas use. In this case the amount is calculated based on the extent to which the average daily use in winter months exceeds average daily use during the summer. The relatively large amount in this bill reflects the fact that almost all of this customer's use is for heating.

[6]For this bill the delivery charges are 37.5¢ per therm ($868.10 divided by 2,216.286 therms).

[7]BGSS is Basic Gas Supply Service from the utility. Customers can choose to purchase gas from alternate suppliers, in which case the charges for the actual gas used may appear on a separate bill.

[8]Dividing total charges by the number of therms used gives the cost per unit (in this case $1.34 per therm).