



Let's Take A Look!

At Ontario's Natural Gas Market

We hope you have found this information on Ontario's natural gas sector market helpful. If you have any questions or for more information please visit our Web site at www.oeb.gov.on.ca or call us at:

Toll-free: 1-877-632-2727

In Toronto: 416-314-2455

The Ontario Energy Board is the regulator of the natural gas and electricity sector markets in Ontario.

We all want to make smart decisions about the products and services we buy and we need information to make good decisions. This brochure is one in a series from the Ontario Energy Board (OEB) and explains the charges on your gas bill and how it all adds up. Understanding your bill and your choices will help you to get the most from Ontario's natural gas market.

Your Natural Gas Bill – how it all adds up

Your natural gas bill is made up of several items including the cost of the natural gas itself, transportation, storage, distribution and service charges. Together, they all add up to the total cost for natural gas you use in your home or business.

Customer Charge

This charge is for the administration of your natural gas account. It is a fixed charge approved by the OEB for services such as meter reading, customer services, equipment maintenance and emergency response.

fixed charge per bill

Gas Delivery Charge

The gas delivery charge includes the costs for the transportation of natural gas into Ontario, storage, distribution from your local gas utility to you and a regulated rate of return, or profit, on the investment your utility has made in the gas distribution system.

Changes in the cost of natural gas may also impact your gas delivery charge because the operation of pipeline systems uses natural gas. For example, compressors that push natural gas through the pipelines are fueled by natural gas. Gas used for these purposes may be included as part of your delivery charge, even for those with fixed price contracts with a gas marketer.

While there are separate rates approved by the OEB for transportation, distribution and storage, your bill may show them as one item or have separate lines for each item.

rate (cents/cubic metre) x natural gas used (cubic metre)

Gas Supply Charge

There are two ways to buy your natural gas supply. This is where you, the consumer, can make an informed decision.

1. **Natural gas marketers** offer a guaranteed price over a fixed period. The price charged by gas marketers on your bill reflects the contract price agreed to between you and the marketer. It is important to understand the choices that you have and shop around.

**marketer contract price (cents/cubic metre) x
natural gas used (cubic metre)**

Or

2. If you do not sign a contract with a natural gas marketer, you are buying **system gas** from your local gas utility. Your utility does not earn a profit on the natural gas it purchases for you. You pay the actual cost of the gas that the utility buys in the market on your behalf.

**utility rate (cents/cubic metre) x
natural gas used (cubic metre)**

The market price of natural gas can vary significantly day-to-day and month-to-month depending on supply and demand. Utility gas prices are approved by the Ontario Energy Board and can change every three months to reflect market prices.

From time to time, you may be credited or charged for the difference between what your utility charged you for the natural gas and the cost at which it was actually purchased. These adjustments are shown on your bill as a rate surcharge, in cents per cubic metre, or as a one-time credit or charge.