

# Understanding the three parts of your gas bill amount



These percentages reflect how your gas payments are allocated on an annualized basis using 2005 data. Gas costs fluctuate throughout the year, so the actual percentages may be higher or lower depending on the season.

## ■ Natural Gas Cost (75-80%)

Natural gas costs make up the largest portion of your Nicor Gas bill. This is the charge for gas you use during the billing month. It is calculated by multiplying your gas usage by the average cost per therm we pay for gas supplies. The amount you pay varies monthly based on the cost of gas and the amount you use. Nicor Gas does not profit from gas costs; we pass our cost on to you without mark-up.

## ■ Delivery Charges (15-20%)

Delivery charges shown on your bill are comprised of the following:

- **Delivery Charges** – covers our operating and distribution costs. These charges vary monthly, based on the amount of natural gas you use.

- **Monthly Customer Charge** – a fixed amount that covers our expenses to read your meter, produce your bill and other monthly administrative costs. A small portion of this charge covers taxes for renewable energy assistance. This charge is incurred even if no gas is used.

- **Environmental Recovery Cost** – covers our cost for the environmental monitoring and clean-up of former manufactured gas facilities. This cost changes periodically and Nicor Gas does not profit from these charges.

## ■ Taxes (5-10%)

Taxes are levied by the State of Illinois and various local municipalities.

***For more information please see the back of your bill.***