



**Consumer's  
Dictionary  
for Natural Gas  
Competition**

## Introduction

Enclosed is a list of common natural gas terms. The Pennsylvania Public Utility Commission's (PUC) Communications Office is providing these terms to help consumers, regulators and industry personnel have a better understanding of the key words and phrases used in the natural gas industry.

Many of the definitions contained in the *Consumer's Dictionary for Natural Gas Competition* are typically technical in nature; however, the Communications Office has eliminated technical details where it was appropriate.

Special thanks to PUC Commissioner Aaron Wilson Jr.'s staff, the PUC's Bureau of Consumer Services and Communications Office, and the Pennsylvania Gas Association.

# Glossary of Gas Terms

**Actual Reading** - The reading from your gas meter.

**Adjusted or Corrected Reading** - An amount shown on the bill to correct too much or not enough gas use from a prior reading.

**Aggregation** - A group that buys natural gas to obtain lower prices for a number of customers.

**Aggregator or Market Aggregator** - A natural gas supplier that plans for natural gas supply services to a group of customers in a single buying unit.

**Alternate Fuel Capability (Alternate Energy Capability)** - Meeting energy needs with an energy source other than natural gas.

**Balancing** - The amount of natural gas a Natural Gas Distribution Company (NGDC) receives for delivery to a customer or customer group and the amount of gas that customer or group uses.

**Basic Services** - Services necessary for the physical delivery of natural gas to a retail customer, consisting of natural gas distribution services and natural gas supply services.

**BTU** - British Thermal Unit is the amount of heat required to raise the temperature of one pound of water by one degree Fahrenheit.

**Bundled pricing** - Two or more services offered at a single price.

**Burner tip** - The point at which natural gas is used, such as a furnace, water heater or range.

**Capacity** - The amount of natural gas transported within a specific period of time. The physical limits of a gas transportation system determines capacity. On the interstate transportation system, physical capacity is often divided among several parties, each party holding a contract for a specific quantity.

**ccf** - 100 cubic feet of gas. This is a measure of gas usage.

**Chapter 56** - The PUC regulations that govern metering, billing and collections for residential gas and electricity service.

**City Gate** - The point where interstate pipelines deliver gas into NGDC facilities.

**Commodity** - Natural gas sold either by volume or heating value.

**Commodity Charges** - The charges for basic gas supply service which is sold either by volume (ccf or Mcf) or heating value (dekatherms).

**Consumer Contract** - A written statement of the terms of service between a customer and a natural gas supplier.

### **Customer Assistance**

**Programs - CAPS** - A payment program for low-income people who have trouble paying their bills. This payment program is set up between a utility company and the customer. It allows the customer to pay a percent of the bill they owe or to pay a percent of their income instead of paying the actual bill each month. When an agreement is made, the

customer must make regular monthly payments based on their new payment plan.

**Customer Charge** - A monthly charge to cover NGDC costs such as maintaining the gas lines, meter reading and billing.

**Customer Choice** - Customers and sellers can deal directly with each other for natural gas supplies, which are transported through NGDCs' pipes to the consumer.

**Customer Classes** - The classes of natural gas customers are residential, commercial and industrial.

**Customer Reading** - An actual meter reading made by the customer that is given to the NGDC.

**Dth - (Dekatherm)** - A measure of the heat content value of gas. Gas usage is determined by multiplying the Mcf used by the heat content value of the gas.

**Deregulation** - Removal or change in regulations or controls governing a business or service operation such as a utility.

**Distribution** - The delivery of natural gas from the city gate to the consumer.

**Distribution Charges** - The charges for the delivery of natural gas from the point of receipt into the NGDC's system.

**End-User** - The natural gas consumer.

**Estimated Reading** - During months when the NGDC does not read the customer's meter, the bill is based on previous gas usage, gas rates and the weather.

**Firm Service** - Natural gas service offered to consumers specified in tariffs or contracts that anticipate no interruption.

**Flat Rate** - A fixed charge for goods and services that does not vary with changes in the amount used, volume consumed, or units purchased.

**Formal Complaint** - A written dispute or disagreement about a utility problem filed by a consumer with the PUC. A formal complaint is assigned to an Administra-

tive Law Judge (ALJ) who may hold hearings to develop a record.

**Gas Cost Adjustment Charges** - The amount billed or credited each month to account for differences between projected and actual gas supply costs of the natural gas distribution company.

**Informal Complaint** - A dispute or disagreement about a utility problem filed by a consumer with the PUC's Bureau of Consumer Services (BCS). A BCS investigator reviews the informal complaint and provides the customer with a response to their dispute.

**Interruptible Service** - Natural gas services that can be interrupted under terms and conditions specified by tariff or contract.

**Interstate Transportation System** - Federally regulated, large capacity pipelines that transport natural gas across state lines from points of production to NGDCs' city gates.

**Late Payment Charge** - A charge for any bill not paid by the due date.

**Low Income Home Energy Assistance Program - LIHEAP** - A federally funded program, administered by the state to assist low income utility customers to pay for energy services.

**Marketer or Broker** - An individual or business, licensed by the PUC that sells or arranges to sell natural gas. The difference between marketers and brokers is that marketers own the gas they sell, while brokers do not.

**Mcf** - 1,000 cubic feet of gas. This is a measure of gas usage.

**NGDC - Natural Gas Distribution Company** - A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer (Formerly called local distribution company).

**NGS - Natural Gas Supplier** - An entity that sells or arranges to sell natural gas to customers that is delivered

through the distribution lines of an NGDC.

**Nonbasic Services** - Optional services which are separate and not required for the physical delivery of natural gas service.

**Office of Consumer Advocate - OCA** - A state agency that represents the interest of residential utility consumers before the PUC. This includes rate and service cases before other state and federal regulatory agencies and courts.

**Office of Small Business Advocate - OSBA** - A state agency that represents the interest of small business consumers. They participate in PUC rate cases and other state and federal regulatory cases.

**Open Market** - Competition is allowed.

**Public Input Hearings** - Meetings where consumers provide input to the PUC. This is in the form of sworn or unsworn testimony, often before a PUC Administrative Law Judge (ALJ).

**Public Meeting** - Meeting, open to the public, where the PUC Commissioners vote on all rate case filings and other official PUC business.

**Public Utility Code** - The law, which sets the powers and duties of the PUC. It also sets many of the guidelines the PUC uses for utilities' rates and service standards.

**PUC - Pennsylvania Public Utility Commission** - The State regulatory agency that provides oversight, policy guidance, and direction to public utilities and suppliers.

**Price to compare** - The dollar amount charged by the NGDC used by consumers to compare prices and potential savings with other natural gas suppliers.

**Service Reliability** - A guarantee that the NGDC will deliver sufficient natural gas to satisfy customer consumption specified in tariffs and contracts.

### **State Tax Adjustment**

**Surcharge** - A surcharge on gas rates charged to customers, which permit

NGDC's to track changes to various state taxes.

**Storage** - Placing natural gas into an underground facility for removal and use at a later date.

**Title 52** - The section of the Pennsylvania Code that governs utilities.

**Transmission** - The moving of natural gas through the interstate pipeline system for delivery to the NGDC.

**Unbundling** - Breaking down services and/or rates that are offered into parts so each part is billed separately.

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For more information about  
gas or electric choice call  
1-888-782-3228 or visit  
<http://puc.paonline.com>.

You can also contact the  
Office of Consumer Advocate  
at 1-800-684-6560  
or visit [www.oca.state.pa.us](http://www.oca.state.pa.us).

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