



Making Sense of Your Gas Bill

FACT SHEET

January 2025

Gas bills are generally divided into three categories: delivery, supply and taxes.

Delivery fees, such as the customer charge, cover the cost of getting gas to homes—plus a profit for the utility—and are set by the Illinois Commerce Commission (ICC). The **supply charge** pays for the actual gas. It varies monthly and is set by the market.

Gas usage is billed by the therm. One therm is roughly the amount of gas needed to run a typical residential furnace for one hour. Your gas meter measures the volume of gas in cubic feet, which is converted to therms on your bill.

Your previous and current meter readings are listed on your bill, and the difference between the two is the gas usage for the current billing period.

Utilities should read a customer's meter at least once every other month. In the months your gas utility doesn't visit your home, it will estimate your usage based on last year's usage for the same month, adjusted for weather.

Check your bill to make sure your usage is not being estimated more than two months in a row. If it is, call the utility, ask why it's not reading the meter, and request an actual reading.

Common Charges on Gas Bills

Customer charge: This covers fixed service costs, such as billing and meter readings, that don't vary with usage. Also called the basic service charge or account charge.

Distribution charge: The ICC sets the rate your utility charges you for delivering gas through its pipes. Gas usage is converted to therms and multiplied by the rate to come up with the charge. Also called the energy charge or the delivery charge.

Purchased gas adjustment: This is the price per therm you pay for gas. Under Illinois law, gas utilities are not allowed to profit off supply prices—they pass those costs from gas producers and marketers onto customers with no markup. The ICC annually reviews the utilities' gas-management procedures to ensure they did a reasonable job with their gas purchases, given market conditions, to hold down costs for consumers as much as possible. Also called the cost of gas charge, gas cost, gas charge adjustment or gas supply charge.

Low Income Discount Rate Charge. This charge was created by order of the ICC in gas rate cases involving Ameren Illinois, Nicor Gas and Peoples/North Shore Gas in 2023. The charge funds the Low Income Discount Rate Program which offers qualifying customers discounts on their gas bills. Also called Rider LIDA, the Low Income Discount Adjustment or the Rider LICA - Low-Income Credit Adjustment.

Qualified Infrastructure Charge: This legislatively-approved fee covers the costs of pipe improvements. Also called the "Qualifying Infrastructure Plant Surchg" or "Qual Infrastructure Charge." Note: The law that created this fee has sunset, but the charge will remain on bills to cover residual pipe-improvement costs.

Storage Service Charge: Peoples/North Shore Gas bills include a separate line item to recover the cost of storing customers' yearly gas supply. Other utilities roll these storage costs into the distribution charge.

Environmental adjustment charge: Utilities can charge customers for the cost of cleaning up toxic waste at old gas manufacturing sites. This is a per-therm charge. Also called the environmental charge, the environmental activities adjustment, the environmental activities charge and the environmental recovery charge.

Volume Balancing Adjustment: This ICC-approved per-therm adjustment provides gas utilities with revenue to cover its delivery costs. The formula for this adjustment ensures that weather extremes and other factors don't result in an over or under collection of gas revenue. As a result, the amount can be either a charge (if gas consumption is lower than expected) or a credit (if gas consumption is higher than expected).

State utility tax: This charge is 5 percent of current charges before taxes or 2.4 cents per therm, whatever is lower. Also is called the public utility tax or the Illinois gas revenue tax.

Municipal tax: Municipalities can impose their own utility taxes, but state law caps the amount they can collect. Also called a franchise tax.

Regulatory tax: This tax helps fund the ICC, which regulates Illinois' utilities. It's also called the Illinois CC assessment, the Illinois gross revenue tax or the utility fund tax.

Efficiency Program: Covers the costs of energy efficiency and on-bill financing programs mandated by the Illinois General Assembly to help homes and businesses save money. Also called Gas Energy Efficiency Cost Recovery and Gas Savings Program.

Customer and Distribution Charges

The chart below summarizes two major charges on your bill that are set by the Illinois Commerce Commission. Keep in mind that these charges don't include the Purchased Gas Adjustment (PGA), which fluctuates monthly based on the market price of gas and can take up 50 percent of your bill or more.

Company	Monthly Customer Charge*	Distribution Charge (per therm)
Nicor 1-888-642-6748	\$20.15 (\$20.21 if you're on an alt. supplier)	21.34 cents
Peoples Gas 1-866-556-6001	\$30.46 for heating customers \$19.40 for non-heating (\$28.96, \$17.90 if you're on an alt. supplier)	46.583 cents for heating customers 92.133 cents for non-heating 8.795 cents Storage Service Charge (0.997 cents if you're with an alternative supplier)
North Shore Gas 1-866-556-6004	\$21.27 per month for heating customers \$12.68 per month for non-heating customers	18.671 cents for heating customers 26.337 cents for non-heating 0.834 cents Storage Service Charge (0.05 cents if you're with an alternative supplier)
Ameren IL 1-800-755-5000	\$21.39	43.776 cents
MidAmerican 1-888-427-5632	\$13.48	7.664 cents

*The "Monthly Customer Charge" on your bill includes smaller, additional fees set by the State of Illinois to subsidize weatherization, energy assistance and renewable energy programs, as well as adjustments allowed by Illinois Public Acts 96-0033 and 99-0906. CUB has attempted to list the Customer Charge, including these smaller fees, as you see it on your bill.