

Q: Are your rates locked in?



In 2013, we locked our rates in with the Maine Public Utilities Commission for 10 years. This commitment from us allows you economic stability you won't get from oil or propane, or any of our competitors.

Summit Natural Gas 2014-2015 winter rates October 1, 2014

PUC Docket No. 2014-00209

Summit Natural Gas price to residential consumers is about **\$2.75/gallon** equivalent to heating oil. *The true rate should be \$3.06 – except for a deferral allowance

SNG total (commodity and T&D) rate is \$1.74/therm. You must also add the monthly connection fee of \$20.21 per month. Yes, SNG has already increased its so called “fixed (T&D and monthly fee) rates by 4% this year.

Based on annual use of 1000 therms (equivalent to 719 gals heating oil)

Calculation of Summit rates for annual use of 1000 therms of natural gas:

Monthly Fee $\$20.21 \times 12$ \$242.52

T&D res rate $\$0.859 \times 1000$ \$859

Commodity $\$0.8773 \times 1000$ \$877.30

Total cost of 1000 therms \$1978.82

1000 therms = 719 gallons Heating oil

$\$1,978.82 / 719 = \$2.75/\text{gallon equivalent.}$

**The true Cost of Gas Commodity Rate before a Deferral adjustment was \$1.1018.*

The deferral adjustment was the money SNG made by buying lots of gas last winter but not delivering it because they did not have customers. Thus SNG was able to sell the firm contract gas back to the basis blowout nat gas market last winter for an outrageous profit. The PUC allowed SNG to apply that money made, to reduce this winter's rates.

Thus, but for the windfall, the true rates for customers this year for SNG would be: \$3.06/gallon equivalent

Monthly Fee $\$20.21 \times 12$ \$242.52

T&D res rate $\$0.859 \times 1000$ \$859

Commodity $\$1.1018 \times 1000$ \$1,101.80

Total cost of 1000 therms \$2203.32

1 gal heating oil = 139,000 Btus; 1 Therm = 100,000 Btus

1 gallon = 1.39 therms. Yearly usage of 719 gals heating oil is equivalent to 1000 therms