

Questions About Your Bill

Will my bill be higher?

» The historic winter storm had an unprecedented impact on supply, demand and market pricing for natural gas in our service areas. Most likely customer bills will be higher for two reasons:

1. The amount of natural gas used was higher than normal.
2. An increase in natural gas market prices experienced during the extreme winter storm. It is important to note Kansas Gas Service does not set or mark up the price we pay for the gas we deliver to customers.

How much will my bill increase from the higher cost of gas?

» It is too early to quantify the impact on customer bills. We are working with the Kansas Corporation Commission (KCC) to address the impact of the extreme weather and defer any extraordinary costs incurred associated with ensuring customers continued to receive service during the cold weather event. Then, we will file a plan with the KCC which includes a strategy to minimize the financial impact to our customers by spreading the cost recovery over a reasonable period of time.

When will I see the increase in my bill from increased usage?

» It is likely that customers will see the increased amount of gas used (MCF Billed) on their March bill, while the pass-through cost (Cost of Gas per MCF) that customers pay for natural gas will increase bills at a later time. We are working with the KCC on how the February 2021 natural gas prices will ultimately impact customer bills and the timing. This process will likely take several months. We will continue to keep you updated as we work through this process.

Why is my bill increasing?

» Customers should prepare for higher natural gas bills from the increased usage for home heating during the extreme cold weather coupled with February's higher cost of gas prices.

How your bill is calculated

1. **Cost of Gas** – this is usually the largest portion of the bill and reflects what Kansas Gas Service paid to purchase, store and transport the natural gas from suppliers to your home or business. This amount for the cost of gas is passed through without markup – to our customers. The company does not profit from this portion of the bill.
2. **Service Charge** – a fixed monthly charge associated with ensuring customers receive safe and reliable service.
3. **Delivery Charge** – a fixed amount that is multiplied by the amount of gas you used.



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Why didn't you buy gas when prices were lower?

- » Fortunately, we obtained a large portion of our gas supplies used prior to the winter event and only purchased a portion of gas when the prices were significantly higher. Our supply portfolio is diversified and consists of a mix of storage gas, short-term, long-term and spot purchases.

How natural gas is purchased

1. We consider historical usage information and weather forecasting tools to estimate and reserve under contract an amount of gas required to meet the future needs of our customers.
 2. The reserved gas is then delivered at index-based market pricing at the time it is purchased.
 3. Occasionally, it is necessary to make daily purchases at spot prices to cover unanticipated usage.
- » Due to the prolonged, historically low temperatures in February, the industry experienced much higher natural gas demand that resulted in a significant increase in natural gas market prices on a portion of the supply purchased during this period.

Did You Know?

- » We don't set the price of gas.
- » We don't mark up the price we pay for the gas delivered to you.
- » We don't earn any profit from the cost of gas.
- » The price we pay our suppliers is the same price you pay.

What are you doing to help reduce the impact on customers?

- » The Kansas Corporation Commission (KCC) has issued an order that authorizes natural gas and electric utilities to defer any extraordinary costs incurred and associated with ensuring that customers continued to receive service during the cold weather event. We will make a filing with the KCC which includes a plan to minimize the financial impact of the cold weather event on customers over a reasonable period of time.
- » The KCC agreed to allow the use of January's cost of gas (\$3.8898 per Mcf) in calculating bills for February usage while we continue to sort out the costs associated with the winter weather event.

What options are available if I need assistance paying my bill?

- » There are several ways we can work with you to explore options and set up a payment plan. Call us at **800-794-4780**.
- » There are a number of financial assistance agencies that manage available funds for eligible customers that need help paying their utility bills. Visit our web page [kansasgasservice.com/CARES](https://www.kansasgasservice.com/CARES) which is updated regularly with payment resources and information on those agencies.

We are here to help!