



# Public Service Commission of West Virginia

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## PSC Anticipates Lower Gas Utility Bills

Following an initial review of the “Purchased Gas Adjustment” cases filed recently, the Public Service Commission of West Virginia is expecting lower gas utility bills across the state for the upcoming heating season.

Natural gas utilities that serve 99.7% of the natural gas customers operating in the state have filed requests with the Commission to lower the purchased gas portion of their rates. Mountaineer Gas Company has asked for a decrease of \$1.255 per Mcf, or nearly 20%. Typical residential customers of Mountaineer Gas who use an average of 7 Mcf per month would see their monthly bills decrease by \$8.79. Dominion Hope Gas has requested a decrease of \$1.94 per Mcf, or 41.5%; Bluefield Gas has requested a decrease of \$2.198 per Mcf, or 33.8%; and Peoples Gas has requested a decrease of \$2.33, or 41.1%.

The Commission does not regulate the price of natural gas; that price is determined by competitive markets. The Commission does examine the gas purchasing practices of gas utilities and ensures the utility did everything possible to obtain a reliable gas supply at the lowest market price.

By law, gas utilities are permitted to recover their costs to purchase natural gas. The gas rates of customers are adjusted annually to account for the cost of gas in a process called a Purchased Gas Adjustment (PGA) proceeding before the Commission. The PGA is an estimate of expected prices utilities will have to pay for gas from their suppliers for the period of November 1 through October 31 of the following year, as well as a “true up” of actual costs for the previous year. The PGA does not include any profit for the utility.

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