Farm Energy IQ

Energy Buying Options in Deregulated Markets—Case Study

Angus heats his house and domestic water with natural gas. He uses about 70 MBTUs of natural gas per year. He recently changed from electric cooking to natural gas cooking so it seemed like a reasonable time to see if there was a better deal on natural gas available.

Using a natural gas appliance calculator (sheet attached, including URL) the gas range is expected to use about $70 worth of gas annually. At $8.8069 per MCF, that is about 8 MCF per year.
http://www.peoplesgasdelivery.com/home/gas_calculator.aspx

Therefore, the existing usage was 70 MCF and 8 MCF has been added so the new annual total usage should be about 78 MCF. Or 78/12 = 6.5 MCF per month.

Only the supply or "commodity" portion of bill is affected by shopping. That number is $3.8849 per MCF. This is also called the "price to compare or PTC" when shopping for an alternate supplier.

Review of the PA Gas Switch data shows Angus that there is no significant savings available on a variable price plan and Angus is not eager to sign up for a variable rate plan unless it is well worth his while. You may feel differently.

http://www.puc.state.pa.us/consumer_info/natural_gas/natural_gas_shopping/gas_shopping_tool.aspx

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