

# The Recent Extreme Weather & Your Natural Gas Bill



January's nationwide cold spell was notable for its severity, longevity, and geographic scope.

We experienced record-breaking temperatures and dangerous wind chills that triggered a series of issues and variables impacting natural gas supply, demand, and costs.



The natural gas industry faced massive “freeze-offs” - when water and liquids in the gas stream freeze and shut down production.

At the peak of the storm in late January, roughly 15% of the total U.S. natural gas production was shut down due to freeze-offs.



The extreme cold caused residential and commercial gas consumption to surge, averaging 29% higher than the five-year average during the peak of the storm.

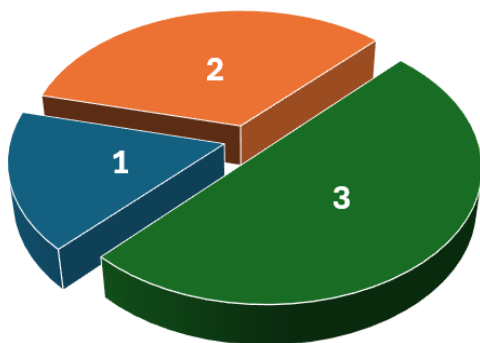
The combination of low supply and high demand resulted in record-breaking price spikes.

## Your natural gas bill is comprised of three components:

1) the transportation of natural gas along the interstate pipelines – a federally-regulated and fixed price;

2) the local distribution of the gas to your home via your provider – a set administrative price to deliver the gas to your home, also a fixed price, and

3) the cost of the natural gas molecules you use in your home – this cost is variable and fluctuates based on market conditions or supply and demand.



**The combination of extreme cold, decreased production, increased demand for home heating, water heating, and commercial activity has resulted in historic high prices and anticipated higher bills.**