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LIMITED GLOSSARY OF GAS TERMS

Missouri Public
Service Commission

Actual Reading - The reading from a natural-gas meter.

Aggregation - A process where a group or entity buys natural gas to obtain lower prices for a number of consumers.

Balance: the amount of gas put into the pipeline (in this case by the supplier for the transportation customer) and the amount of gas taken out of the pipeline are **equal** on a fixed time basis. The fixed time may be daily, weekly or monthly.

Balancing - the amount of natural gas a Natural Gas Distribution Company, or Local Distribution Company (such as Ameren or Laclede) receives for delivery to a customer or customer group and the amount of gas that customer or group actually uses. Balancing the amount of gas a customer puts into the natural gas pipeline system with the amount of gas that the customer actually uses. Balancing may be accomplished daily, monthly, or seasonally, with penalties generally assessed for excessive imbalance.

Balancing may also be described as: 1) the requirement imposed by natural gas pipelines that supply and demand be equal over a certain time period; 2) the practice by shippers of offsetting (balancing) their gas deliveries from the pipeline with injections of gas supplies into the pipeline on a regular basis. Shippers put enough natural gas into the system to equal the amount of gas the shipper uses.

Bundled pricing - Two or more services offered at a single price.

Burner Tip - The point at which natural gas is used, such as a furnace, process equipment, or heating equipment.

Capacity - The amount of natural gas transported within a specific period of time. The physical limits of a gas transportation system determine capacity. On the interstate transportation system, physical capacity is often divided among several parties, each party holding a contract for a specific quantity.

Ccf - Equals 100 cubic feet of gas. This is a measurement of gas usage.

City Gate - The point at which an interstate pipeline delivers gas to an LDC's facilities.

Commodity - Natural gas sold either by volume or heating value.

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Distribution - The act or process of distributing gas from the city gate to the consumer.

Distribution Charges - Charges for the delivery of natural gas from the point of receipt into the LDC's system.

End-User - An entity that is the ultimate consumer for natural gas. An end-user purchases the gas for consumption but not for resale.

Firm Service - Natural gas service offered to consumers under schedules or contracts which anticipate no interruptions. Certain Firm Service contracts may contain clauses which permit unexpected interruption in case the supply to residential customers is threatened during an emergency.

Interruptible Service - Low priority natural gas services that anticipate and permit interruption on short notice under terms and conditions specified by tariff or contract. Gas is available at any time of the year if the supply is sufficient and the supply system is adequate.

Interstate Transportation System - Federally regulated, large capacity pipelines that transport natural gas across state lines from points of production to LDC's city gates.

Local Distribution Company (LDC) - A regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer, also known as a natural gas local distribution company.

Marketer or Broker - An individual or business, that sells or arranges to sell natural gas. The difference between marketers and brokers is that marketers own the gas they sell, while brokers do not.

Mcf - 1,000 cubic feet. This is a measurement of gas usage.

Transmission - The moving of natural gas through the interstate transportation system for deliver to an LDC. Panhandle Eastern Pipeline, for example provides transmission services.

Unbundling - The separation of the various components of gas sales, storage, transmission, delivery, etc., into an ala carte menu of services from which a customer may choose only those services desired.