

THE MNG REPORT

The Maine Natural Gas Customer Newsletter

July – August 2017



Price options for buying your natural gas – Which one is right for you?

August 1 Thru Noon, August 28 — Time to choose your gas commodity pricing program with MNG!

What's this all about? Maine Natural Gas offers you two ways to buy your gas energy: **1. Fixed Price Option (FPO)** **2. Index Price Option (IPO)**

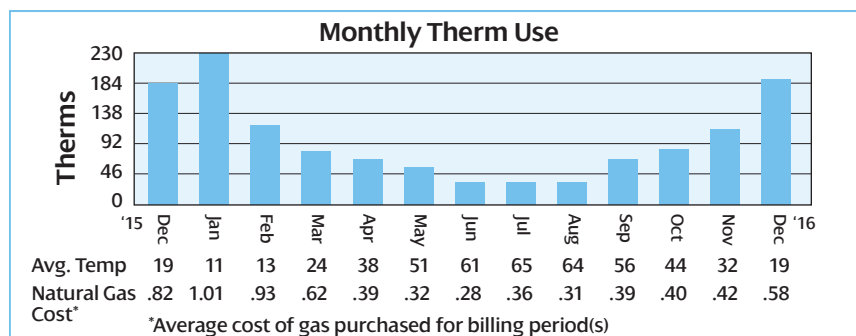
What are the FPO and IPO price options?*

The price options are related to the “Energy Charge” on your monthly natural gas invoice. The Energy Charge reflects the amount of energy used (in therms) multiplied by the cost of the gas commodity. Maine Natural Gas does not make a profit on the gas commodity, but we do manage the daily market price fluctuations in order to provide our customers with monthly (Index Price Option) or annual price stability (Fixed Price Option).

The Fixed Price Option (FPO) is set each August and is available to customers who contact MNG to enroll. Customers who enroll in the FPO will pay the same energy charge every month for one year starting on September 1. This means the Energy Charge will likely be higher than the market price during the spring, summer, and fall, but is likely to be lower than the current market price during the winter months. The FPO balances the seasonal price spikes. The FPO is adjusted each year for gains or losses against the market price. People who prefer the FPO are willing to pay more during low usage months to avoid higher bills during the coldest months. There is no minimum usage or upfront payment required. **The FPO does not roll over from year to year. Existing FPO customers must reenroll every year they want the FPO.**

The Index Price Option (IPO) is what all customers are charged if they do not select the FPO each August. IPO customers will pay a different Energy Charge each month. Typically the Energy Charge will be lower during the spring, summer, and fall yet higher during the winter months. The IPO tracks cyclical price spikes and can go considerably higher than the FPO during the winter. The IPO is adjusted monthly for gains and losses against the market price. The traditional heating customer who prefers the IPO is willing to pay more when using the most energy, yet enjoys smaller invoices during low usage months.

The Index Price Option shows Energy Charges will be lower during the spring, summer, and fall and higher during the winter.



*There are no guaranteed savings with either the FPO or IPO. The FPO is designed for customers who want Energy Charge price stability.



Monthly IPO / Annual FPO Comparison

IPO	2014–2015	2015–2016	2016–2017	IPO
SEP	\$ 0.3687	\$ 0.3725	\$ 0.3976	SEP
OCT	\$ 0.4402	\$ 0.3459	\$ 0.4024	OCT
NOV	\$ 0.6362	\$ 0.5714	\$ 0.4281	NOV
DEC	\$ 1.6314	\$ 0.8224	\$ 0.5801	DEC
JAN	\$ 1.7148	\$ 1.0160	\$ 0.8805	JAN
FEB	\$ 1.5773	\$ 0.9391	\$ 0.8347	FEB
MAR	\$ 1.0145	\$ 0.6224	\$ 0.5380	MAR
APR	\$ 0.3959	\$ 0.3946	\$ 0.4402	APR
MAY	\$ 0.3196	\$ 0.3238	\$ 0.4339	MAY
JUN	\$ 0.3506	\$ 0.2810	\$ 0.3923	JUN
JUL	\$ 0.3425	\$ 0.3610	TBD	JUL
AUG	\$ 0.3810	\$ 0.3196	TBD	AUG
FPO	\$ 1.2436	\$ 0.8219	\$ 0.6740	FPO
	2014–2015	2015–2016	2016–2017	



Steps for Making Your Gas Price Choice

If you are interested in the FPO, you may track the estimated price each business day during August on our Website (<http://mainenaturalgas.com/rates-tariff/commodity-pricing-options/>). **This year's enrollment window is from August 1 until noon on August 28.** If you are satisfied with how the FPO is trending and you wish to enroll, simply fill out the online form on our Website at the bottom of the page linked above. Or if you prefer, contact us by phone, fax, or e-mail. Make sure to contact us by noon on August 28. If you are interested in the IPO, you do not need to do anything. Your account will remain on the IPO. **If you are currently on the FPO, your account will revert to the IPO automatically unless you contact us to enroll in the FPO again.** MNG's Tariff no longer provides a three-day grace period for residential customers to select the FPO after September 1, and all new customers after the FPO enrollment period will not have the option of selecting the FPO pricing. All FPO selections must happen within the enrollment period.

Contact us:

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Fax 207-729-9452

Mail PO Box 99, Brunswick, ME 04011

**FOR A GAS ODOR OR LEAK EMERGENCY
CALL 1-877-532-5636, 24 Hours A Day**

Adding value to your home with new gas appliances? Contact us to ensure you have the capacity to match.

When contemplating adding new gas appliances, (cook range, dryer, generator, or pool heater) you must contact Maine Natural Gas to ensure you do not need a service upgrade. Before purchasing or installing additional equipment, please visit our website and complete this form: <http://mainenaturalgas.com/increasing-natural-gas-load-for-your-home-or-business/>

Maine Natural Gas will determine if the existing meter and natural gas service line has the capacity to handle the proposed load increase. If an upgrade is required, the customer may be required pay a fee. Sufficient gas flow to an appliance is vital to ensure proper function and prevent potentially unsafe conditions.



Maine's Local Gas Company

Discover more at MaineNaturalGas.com

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