

## **NATURAL GAS: WHAT TO EXPECT THIS WINTER**

### Prepare For Higher Natural Gas Costs!

The Florida Public Service Commission urges Florida's natural gas customers to prepare now for potentially higher natural gas bills this coming winter.

### Why Prices Have Increased

Wholesale natural gas prices are set in a competitive market and are subject to the market forces of supply and demand. When demand increases at a greater pace than production, prices increase. Demand for natural gas has been increasing, in part from relatively cold weather and high usage this past winter, plus withdrawals from storage made at a faster pace, and increased use of natural gas for electric generation. This increase in demand has left utilities nationwide with relatively low natural gas inventories. That storage inventory is now being replenished, albeit at relatively high prices, to ensure the availability of adequate gas supplies for this winter. Therefore, utilities are paying more for supplies to meet their customers' needs.

### What To Expect This Winter

It is impossible to know what this winter's temperatures will be. They could be as cold as last winter, as warm as the year before, or close to normal. The current outlook indicates that there is a potential for higher natural gas prices resulting in a higher gas bill, particularly if the winter is very cold. Even if there is a return to normal weather, higher gas prices might result in a 5-10% higher total gas bill than last year. While a variety of long-term initiatives to deal with price increases are under consideration at the federal level, consumers can take immediate steps now to soften the potential impact this coming winter.

### What To Do To Prepare

Your heating costs are made up of the cost of your heating fuel and the amount you use. No matter where prices go or what temperatures are, you can take basic steps to lower your usage.

- Conserve a little, Save a lot.
- Make sure your house is well insulated.
- Seal gaps around doors and windows.
- Have your furnace inspected and insulate your water heater.
- Set thermostats back - for every degree you lower your thermostat, you'll save 1-3% on your heating costs.