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# GEORGIA PUBLIC SERVICE COMMISSION

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#### FOR IMMEDIATE RELEASE

17-16

# FROM THE OFFICE OF COMMISSIONER STAN WISE NEWS RELEASE

## Higher Natural Gas Prices Predicted This Winter; Consumers Urged to Take Steps to Reduce Heating Bills

ATLANTA, October 27, 2016 – Public Service Commissioner Stan Wise is warning natural gas customers that the upcoming winter is predicted to be colder than the last and therefore they may see higher natural gas bills. Wise says the American Gas Association (AGA) predicts in its annual winter outlook that residential gas bills could be 9% to 11% higher compared to winter 2015-2016, as consumers' ramp up gas use after last year's warmer temperatures. The AGA reports that a survey of member companies representing about 20 million customers found that utilities expect to see a 9.6% increase in residential gas bills, tied in part to a 6.6% increase in throughput. Gas consumption remains down on a year-over-year basis after last year's warm winter, with residential and commercial demand down so far this year compared to the same period in 2015, AGA noted. (See attached AGA release)

Wise notes that natural gas customers can take several proactive steps to reduce and mitigate this projected increase in winter heating bills. These include:

- 1. **Budget and levelized billing plans**: Consumers who are on a budget, retired or on a fixed income may find budget billing to be an attractive payment option. It allows consumers to make levelized monthly payments on their bills, and is available whether consumers have fixed or variable rate plans. Budget billing can help consumers avoid the spikes in their winter heating bills.
- 2. Check price plans and marketers' options: The Commission publishes a monthly price-comparison chart of all natural gas marketers' plans senior, variable, fixed and pre-pay on our web site, <a href="www.psc.state.ga.us">www.psc.state.ga.us</a>. Once on the site, you then click on "Natural Gas Marketers' Prices." Also, the Regulated Provider is available to serve low-income citizens and those who are not able to obtain service from any of the certificated marketers in Atlanta Gas Light Company's service area.
- 3. **Energy Conservation**: Conservation is vital to any plan of action to lower one's monthly utility bill. Purchasing energy-efficient equipment such as an energy efficient furnace, hot water heater and/or stove, caulking around doors and windows, insulating walls, floors and the attic, are some things consumers can do to lower their winter heating bills. Of course, if you don't need to have any of your equipment replaced, be sure to have these inspected by a professional to ensure operation at maximum efficiency.

Commissioner Wise is serving his fourth six-year term on the Georgia Public Service Commission. He was first elected in 1994 and re-elected in 2000, 2006 and 2012. He also chairs the NARUC Natural Gas Committee and is president of the Southeastern Association of Regulatory Utility Commissioners. His full bio is found at <a href="http://www.psc.state.ga.us/content.aspx?c=/commissioners/stan-wise/">http://www.psc.state.ga.us/content.aspx?c=/commissioners/stan-wise/</a> (See photo at end of release.)

The Georgia Public Service Commission is a five-member constitutional agency that exercises its authority and influence to ensure that consumers receive safe, reliable, and reasonably-priced telecommunications, electric and natural gas service from financially viable and technically competent companies. For more information, visit the Commission website at <a href="https://www.psc.state.ga.us">www.psc.state.ga.us</a>.



**Commissioner Stan Wise** 

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### American Gas Association Release

### NATURAL GAS DELIVERS GREATER VALUE AND LOWER EMISSIONS FOR THE 2016-17 WINTER HEATING SEASON

HOME / NEWS ROOM / NEWS RELEASES / NATURAL GAS DELIVERS GREATER VALUE AND LOWER EMISSIONS FOR THE 2016-17 WINTER HEATING SEASON NEWS RELEASE

October 19th, 2016

Washington, D.C. – The direct use of natural gas continues to be the most affordable energy option for home heating and offers lower greenhouse gas emissions than other home energy sources. The American Gas Association (AGA) held its annual winter outlook event today where the Association explored expectations for the 2016-17 winter heating season. After an extraordinarily warm winter last year, normal conditions would mean that residential customers this year would use more gas on average and therefore, see slightly higher bills. AGA consumers could experience a nine to eleven percent increase in overall heating bills this winter compared to the 2015-16 winter heating season.

"Abundant supplies have moderated natural gas price increases, but more consumption and colder temperatures compared to last year may result in a moderate increase in overall bills," said Brendan O'Brien, senior energy analyst at AGA. "Even with increases in consumption this winter, low cost natural gas may mean that many Americans on average, can expect to see one of the lowest bills in the past decade."

Increased use of natural gas can achieve significant efficiency improvements and carbon emissions reductions. The production of natural gas through its delivery into buildings is <u>more efficient</u> than grid-delivered electricity, propane, or oil. Even as more renewable sources are added to our nation's electric generation mix, the direct use of natural gas will remain an efficient, affordable and low-carbon option for consumers. Encouraging direct use is therefore a valuable way to meet efficiency and emissions goals.

According to Chris McGill, vice president of Energy Analysis and Standards at AGA, the price of natural gas this winter is largely due to stable production and a strong underground storage position. Utilities work all year to prepare for the possibility of extreme temperatures and employ a portfolio approach to help ensure they can meet the needs of their customers at affordable prices on the coldest days of the year. Natural gas storage levels in the U.S. are nearing four trillion cubic feet and storage can provide as much as 20 percent of all gas consumed during a five-month winter heating season.

You can view the entire presentation here.

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The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 72 million residential, commercial and

industrial natural gas customers in the U.S., of which 95 percent — just under 69 million customers — receive their gas from AGA members. Today, natural gas meets more than one-fourth of the United States' energy needs.