



pilotLight



Higher natural gas bills possible this winter

Several factors are causing higher market prices for natural gas

Rising market prices for natural gas could signal increased costs for members during the winter heating season.

Market prices for natural gas have surged nearly 200% over the past 12 months to more than \$6 per dekatherm and remain volatile.

In preparation for the winter heating season, for more than a year Jo-Carroll Energy (JCE) has been actively purchasing natural gas and filling available storage at lower than current prices. By actively managing purchases and storage of natural gas, JCE has already reduced the purchased energy cost of natural gas by more than \$200,000. For this winter, JCE has covered up to 80 percent of typical usage at lower than current market prices.

The purchased energy cost you see on your bill is a direct pass-thru for natural gas from our supply and pipeline vendors and is not marked up by JCE.

While we're not certain how high prices will go or exactly what it will mean for our members' natural gas bills in the coming months, we do have programs that can help our members with their energy bills.

Jo-Carroll Energy members who need help with energy bills can apply for the Low Income Home Energy Assistance Program (LIHEAP) that provides funds to help qualifying families pay for home energy services. Members who need assistance paying energy bills may qualify for JCE's own Neighbor to Neighbor Care Funds, which work in tandem with LIHEAP.

More information about both programs can be found on our website at jocarroll.com/account-management. Jo-Carroll Energy also offers budget billing and a variety of energy efficiency programs and incentives for members.

So why have natural gas prices gone up so sharply?

The central problem is that while economic activity continues to bounce back, natural gas production has not. Demand is coming back faster than supply, driving prices higher.

After years of losing money, natural gas producers have been cautious about ramping up production. Storage levels in the Lower 48 U.S. states are slightly below normal, according to the U.S. Energy Information Administration (EIA).

Demand was further boosted by heat waves across the country this summer. Natural gas is the leading fuel source for the U.S. power grid, supplying 40% of utility-scale electricity generation, according to the EIA. Hot temperatures drove up air conditioning usage and electricity demand.

Supplies have been whittled down further by strong demand from overseas amid high international prices, since the U.S. is a major exporter of natural gas.

Update on February's price spike

The Federal Energy Regulatory Commission (FERC) staff released preliminary findings of its investigation (in coordination with the North American Electric Reliability Corporation and other entities) into Storm Uri.

A final report is expected to be released this winter.

The presentation is largely focused on electricity reliability and is silent on recommendations to protect natural gas consumers from these types of historic price increases in the future.

The preliminary findings indicate the major causes of the decline in natural gas wellhead production were shut-ins to protect natural gas production and processing facilities from freeze-related impacts, frozen equipment, loss of power supply, and poor road conditions that prevented access to facilities to make necessary repairs.

The FERC Chair, Rich Glick, stated: "I believe it would be helpful if Congress would give, whether it's FERC or some other agency, some sort of circuit breaker authority when there are extreme prices, [to] impose some sort of limitation at some times."

The American Public Gas Association (APGA), representing more than 700 local, municipally-owned and

Continued on back



Dial down your thermostat and save

Losing sleep over high winter heating costs? Why not turn down your thermostat before you go to bed at night or when you're not at home?

Adjusting the temperature is a simple and free way to lower your heating bills. The U.S. Department of Energy recommends wintertime temperature settings of 68°F during the day, and 60°F to 65°F at night.

Concerned that you might forget to turn down that thermostat on cold winter nights? Install a programmable thermostat; these

handy devices automate the process, allowing you to save energy and rest easy.

Today's advanced thermostats provide some pretty cool features. Wi-Fi thermostats provide remote control. You can adjust temperatures from the couch, the kitchen or wherever you and your mobile device happen to be. Smart models add even more convenience by programming themselves based on your habits.

So what are you waiting for? Set your thermostat for savings and comfort and sit back and enjoy the lower energy bills.

Continued from front

cooperative natural gas systems including Jo-Carroll Energy, issued a statement in response to FERC's preliminary report:

"APGA is disappointed with the preliminary recommendations discussed at the FERC Open Meeting today for Storm Uri. The report is silent on the historic increases in the price of natural gas that consumers experienced, the consumer and market impacts of those price increases, and most importantly what can be done to protect natural gas consumers in the future from extreme weather.

"We believe that the impact of Storm Uri demands bolder action at the federal, as well as state, level to help ensure that consumers are protected from another economic catastrophe in the future. APGA, worked closely with its members affected by this historic event, including Jo-Carroll Energy, to develop a white paper with potential solutions to protect consumers from these types of events in the future."

The full report can be viewed at www.apga.org/uri-whitepaper.

What is Jo-Carroll doing?

Jo-Carroll continues to purchase natural gas forward and fill available storage so that we are hedged between 70 to 80 percent of our normal usage to cushion against future price spikes. For the upcoming winter months we have covered up to 80 percent of typical usage at an average price of \$3.81 per dekatherm. During the February event, prices spiked as high as \$214 per dekatherm.

Besides working closely with APGA (as noted above) and the Illinois Public Energy Agency (IPEA) to limit our members' exposure to future price spikes, we are working with our natural gas marketing stakeholders to enhance reporting. That would allow us to communicate with you sooner about such events, so that you can safely curtail use, if possible, which might mitigate the impact from future price spikes.



Jo-Carroll Energy

STAY IN TOUCH

Please contact us or sign in to your account on the MyAccount Member Services Portal to make sure your contact information is up-to-date (including preferred phone and email)!



Jo-Carroll Energy
PO Box 390, Elizabeth, IL 61028



800-858-5522



jocarroll.com



info@jocarroll.com