



NEWS & INFORMATION

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Customers Should Continue Reducing Energy Use Amidst High Natural Gas Prices

An Iowa Utilities Board (IUB) report released today suggests historically high natural gas prices seen in recent years will likely continue during the 2006-2007 winter heating season. Iowans should strengthen ongoing efforts to reduce their energy consumption in preparation for continued high prices.

The IUB's Natural Gas Price Volatility White Paper, Fourth Update, is available to view or download at www.state.ia.us/iub. The wholesale price of natural gas is competitive and driven by market forces, which are discussed in detail in this report. The IUB regulates only the local service distribution portion of the natural gas bill and ensures that customers pay the same natural gas supply prices paid by their utilities.

"There are many effective means for Iowans to continue to reduce energy use in their homes and businesses," said IUB Chairman John Norris. "Iowa has been a national leader in energy efficiency for many years. The significant impact of this winter's natural gas prices on Iowa and its economy is just one reason to expand and enhance our dedication to this effort."

In recent years, the IUB has worked closely with rate-regulated utilities that serve the majority of Iowa natural gas customers to protect consumers from high winter heating bills. This has resulted in the continued implementation of price risk management practices and the physical storage of natural gas, purchased at off-season prices, to help limit customer bill volatility during the winter heating season. The resulting protections implemented by the utilities, along with individual energy efficiency efforts and some periods of mild winter weather, have benefited Iowa customers. However, it will be important to once again take steps to lessen the impact of high heating bills this year because of the potential for tight natural gas supply and increased demand.

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