



# NEWS & INFORMATION

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## Unpredictable market factors key to this winter's natural gas prices

The Iowa Utilities Board (IUB) cautions Iowans not to lessen their efforts to reduce energy use this winter just because natural gas and crude oil prices have decreased recently. For several months, utilities serving Iowa have warned consumers' heating bills will be at least 25 percent higher than last winter. Higher natural gas prices are still expected this winter, but how much higher ultimately depends on several factors described in a newly released IUB report.

The Natural Gas Price Volatility White Paper, Fifth Update, is now available to view or download at [www.state.ia.us/iub](http://www.state.ia.us/iub). It discusses the current price levels of natural gas, supply and demand factors that may impact natural gas prices, and measures taken by Iowa's rate-regulated natural gas utilities to reduce price volatility. Weather, in particular, is an important factor for natural gas prices since it can affect both supply and demand. Supply may be disrupted by hurricane-related conditions while demand may be impacted by an unseasonably cold fall or winter.

As in previous years, the IUB has worked closely with rate-regulated utilities that serve the majority of Iowa natural gas customers in implementing strategies to help protect consumers from volatile natural gas prices this winter. This includes utilities purchasing gas to be placed in storage and locking in the price for portions of their natural gas supplies in advance. However, natural gas is a competitive market and the utilities cannot control the price that they pay for the commodity. The natural gas supply price paid by utilities is the same as the price billed to Iowa consumers.

In preparation for the upcoming heating season, the Board urges Iowans to take simple, low-cost steps to conserve energy at home such as adjusting your thermostat for sleeping or periods when your home will be unoccupied. If frequently changing your thermostat is difficult, consider a programmable thermostat. Another inexpensive step to help mitigate heating costs is to weatherize around leaky windows and doors and on exterior walls in areas that are usually cold or drafty. Please contact your local utility for additional energy efficiency information in preparation for this winter

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