

# The Dallas Morning News

## Gas bills going up 60-90%

### Atmos says higher energy costs, colder winter are likely to squeeze North Texas utility customers

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North Texans may have to bundle up in their living rooms this winter.

Atmos Energy Corp. hiked its forecast for natural gas utility bills in North Texas on Wednesday, predicting customers will pay 60 percent to 90 percent more this winter compared with last year after hurricanes boosted natural gas prices.

That means the average Texas household will probably pay \$690 for heat from October to March, up from \$367 last year, the utility said.

For the peak month of January, the average customer last year used 13,000 cubic feet of gas and paid \$145. For the same amount of gas this year, the customer will probably pay between \$200 and \$270. About three-quarters of a January bill goes toward natural gas costs.

Previously, Atmos officials had been predicting a rise of around 50 percent, as market prices for natural gas increased throughout the year. Then hurricanes Katrina and Rita pushed prices to all-time highs.

Meteorologists predict the coming winter will have normal temperatures, which means it will probably be colder than last year, one of the warmest winters on record.

That means some Texans will set their thermostats lower this year, and some may even go without heat altogether.

"I really think consumers have to be prepared for some sticker shock as far as their home heating bills are concerned," said Allen Mesch, president of PetroStrategies Inc. in Dallas. He predicts natural gas bills will be about 81 percent higher this year than last.

The higher natural gas utility forecast comes one day after TXU Energy said it aims to increase electricity prices by 24 percent by January, with half of the raise coming next month. TXU's prices are subject to regulatory approval, while Atmos must only seek approval for higher service prices, not higher gas rates.

Atmos doesn't make money on natural gas, instead charging customers the wholesale prices that it pays. Natural gas futures ended Wednesday at \$14.17 per million British thermal units, down 5 cents from Tuesday, but about twice as high as prices a year ago.

"Volatility of gas prices in recent months has been like a giant roller coaster. We have never seen gas prices change so fast, making it harder to predict our winter bills," said Dick Erskine, president of Atmos Energy's Mid-Tex Division, in a prepared statement.

Atmos said tight natural gas supplies are boosting prices across the country. Hurricanes Katrina and Rita disrupted about 15 percent of U.S. natural gas production, further squeezing supply. Atmos said it doesn't anticipate any supply shortages this winter. The utility buys excess gas throughout the year and stores it

for the winter, securing supply and attempting to limit costs.

Still, Texans may have to use more natural gas to keep their homes as warm as they were last year.

Steve Fano, a meteorologist with the Fort Worth office of the National Weather Service, said experts there expect North Texas will have a normal winter this year, putting average temperatures from December to February at about 46.7 degrees. Last year's average temperature was 50.3 degrees.

Some folks may choose to keep their homes a bit cooler this year to save money. Tillie Bergen, executive director of Mission Arlington, a charity that helps people in need of food, clothes and other financial aid, said higher bills could mean more people doing without heat at all.

"We find people without heat. I just can't imagine how it's going to be," she said. "We'll get blankets and coats for people."

Ms. Bergen said she instructs people in need to try to pay their bills and to rely on charity for food, clothing, toys and other goods. This year, charities like Mission Arlington will need lots of winter items – coats, hats, gloves and blankets, she said.

Atmos offers some energy assistance and suggests that people in need apply for help right away. The utility also says customers should enroll in budget billing, which evens out gas bills throughout the year, easing the burden in the peak winter months.

Atmos also recommends customers use energy more efficiently by upgrading household insulation, using energy-efficient appliances and installing automatic set-back thermostats to regulate temperatures.

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