

# **IOWA NATURAL GAS ASSOCIATION BRIEF NEWSLETTER DECEMBER 2013**

## **MERRY CHRISTMAS AND HAPPY HOLIDAYS FROM YOUR ASSOCIATION STAFF**

**THIS BRIEF NEWS LETTER INCLUDES THE FOLLOWING INFORMATION**

- **ABOUT NATURAL GAS**
- **NATURAL GAS STILL MOST AFFORDABLE HEATING FUEL**
- **GOOD NEWS FOR NATURAL GAS CUSTOMERS THIS WINTER, NGSА SAYS**
- **AHRI OFFERS HOMEOWNERS SIMPLE HEATING SYSTEM MAINTENANCE TIPS**

## **About Natural Gas**

### **An Essential Part of America's Energy Mix**

- **Natural gas supplies nearly one-fourth of all of the energy used in the United States.**
- **Due to its efficiency, cleanliness and reliability, natural gas is growing increasingly popular. Consumption of natural gas will increase 11 percent by 2030, according to the U.S. Department of Energy (DOE).**

- **Most of the growth in natural gas demand comes from electricity generators, who have turned to natural gas because it is the cleanest-burning fossil fuel and highly efficient.**

### **Nationwide Delivery System**

- **Natural gas is delivered to customers through a safe, sound, 2.4-million mile underground pipeline system that includes: 2.1 million miles of local utility distribution pipes; and**
- **300,000 miles of transmission lines.**

### **Where Does Natural Gas Come From?**

- **Most (88 percent) of the natural gas consumed in the United States is produced in the U.S. Canada provides much of the rest (10.5 percent), with 1.5 percent imported as liquefied natural gas (LNG).**
- **Production from the lower-48 states remains the largest component of U.S. natural gas supply.**

### **Natural gas is the cleanest and most efficient fossil fuel.**

- **98.5 percent of the natural gas we use in the United States comes from North America, and supplies are abundant.**
- **The 2.1 million-mile underground natural gas delivery system has an outstanding safety record.**
- **Regardless of the weather, you can depend on your natural gas utility to bring you America's best energy value.**
- **Natural gas is today's environmental energy choice—increased use of natural gas can help address several environmental concerns simultaneously, including smog, acid rain and greenhouse gas emissions.**

### **Your natural gas utility is your neighbor and your trusted energy partner.**

- **Gas utilities serve more than 65 million residential customers and more than 5 million commercial enterprises.**
- **Your local gas utility has an investment in and a commitment to your community. Many gas utilities have been serving their customers for well over 80 years.**

- **Natural gas utilities are innovative and reliable, providing customers with a variety of services, products and—most important—America’s best energy value.**

## **NATURAL GAS STILL MOST AFFORDABLE HEATING FUEL**

**The American Gas Association (AGA) announced that it expects natural gas to remain the most affordable heating option for most residential customers across the United States. While customer bills are likely to rise slightly as a result of various market forces, the abundant supply of domestically-available natural gas has contributed to lower production prices that, along with robust storage levels, are poised to help ensure a steady supply of energy at a lower cost than other home heating fuels. Mild temperatures should also keep any increase in natural gas bills modest at no more than 5 to 10 percent compared to last winter.**

**“We see market forces working to offset any upward pressure in prices this winter,” said AGA’s Director of Policy Analysis Bruce McDowell. “Gas customers may still enjoy heating bills that are among the lowest of the past decade. Natural gas is still the fuel to beat.”**

**Customers who heated their homes with natural gas during the 2011-2012 winter heating season saw average savings of 70 percent compared to those using heating oil and 32 percent compared to those using electricity, according to the Energy Information Administration. Efficiency measures on the part of utilities and energy users also contribute to lowering bills; in 2011, natural gas utilities helped customers save a total of \$300 million nationwide – approximately \$107 per household.**

**In an economy that has been recovering slowly, many American families will struggle to heat their homes this winter. Despite the fact that bills last year were the lowest in a decade, 2.4 percent of AGA member customers were unable to make sufficient payments and the number of those late on their bills increased slightly. Funding for the**

**Low Income Home Energy Assistance Program remains critically important to those in need. Recognizing that Congress faces difficult fiscal decisions, AGA and its member companies continue to advocate for greater certainty and responsible funding levels for this vital program.**

## **Good News for Natural Gas Consumers This Winter, NGSA Says**

**Pressure on this winter's natural gas prices is likely to be comparable to last winter, the Natural Gas Supply Association (NGSA) said in its 13<sup>th</sup> annual *Winter Outlook* assessment of the natural gas market. Using published data and independent analyses, NGSA evaluated the combined impact of production activity, storage inventories, economic growth, customer demand and weather on the direction of natural gas prices for the 2013-2014 winter compared to November through March of last winter when Henry Hub prices averaged \$3.47 per MMBtu.**

**“When NGSA weighed all the different pressure points, the picture that emerged for the upcoming winter is one of quiet growth in supply as well as in demand for natural gas,” said Greg Vesey, Chairman of NGSA and Vice President of Gas Supply and Trading for Chevron. “The stability in natural gas is great news for consumers,” said Vesey. “When all key supply and demand factors are combined, we expect neutral pressure on prices compared to last winter.”**

### **In brief, the NGSA 2013-2014 *Winter Outlook* says:**

- **Economy –Analysts expect very modest growth in GDP. *Flat pressure.***
- **Weather –Anticipated repeat of last winter's normal winter weather pattern portends level demand for natural gas heating. *Flat pressure.***
- **Overall Demand – Expectation for increased demand from the industrial sector of 3 percent. Residential and commercial sector demand projected flat. Electric utilities projected to continue to dispatch significant amounts of gas-fired power plants instead of coal-fired plants (“fuel switching”), but a little less than last winter. *Flat pressure.***

- **Supply – Continued robust domestic production, fewer imports from Canada, greater exports to Mexico and abundant gas in storage projected to provide ample supply. *Flat pressure***
- **Storage - Likely to see a repeat of last winter’s high storage inventories. *Flat pressure.***

**NGSA used data from Energy Ventures Analysis (EVA) for its demand and supply projections and IHS Global Insight for its economic projections. The NGSA analysis is based on publicly reported data; the association does not project actual cost figures for wholesale or retail markets.**

## **AHRI Offers Homeowners Simple Heating System Maintenance Tips**

**Arlington, VA — The Air-Conditioning, Heating, and Refrigeration Institute (AHRI) reminds homeowners that the fall season is the ideal opportunity to prepare heating equipment for the cold winter months to ensure the unit operates at its highest efficiency.**

**Heating and cooling is the single biggest energy consumer in your home, and accounts for about 40 percent of all the energy used by homeowners. That’s why taking steps to ensure your unit is running as efficiently as possible can help offset heating costs this winter.**

**AHRI offers homeowners the following tips on how to keep their heating units running efficiently:**

- **Change the air filter. Check the furnace filter and change it if it’s dirty, or according to the manufacturer’s recommendation, to keep dust from collecting on the evaporator coil fins. Keeping your filter clean can cut energy consumption 5 to 15 percent. Turn off the power to the furnace before pulling the filter out so the blower doesn’t come on and blow dust throughout the**

**system. Be sure to position the filter according to the manufacturer's instructions.**

- **If you have a heat pump, clear away leaves, grass, weeds, plants, and other debris that can block airflow through the outdoor condensing unit, which is the large metal box in your yard next to your home. Anything that collects on the unit's fins will block airflow and reduce its efficiency. In autumn, piling leaves are common culprits.**
- **Check to make sure the room air vents inside your home are not obstructed by furniture.**
- **Consider installing a programmable thermostat.**

**AHRI also recommends that homeowners hire a professional to service their heating system. In fact, arranging a service agreement with a reputable local contractor will not only ensure the system will operate at peak efficiency, but a well-trained technician will find and fix problems in the system - often before they become larger and more costly. Homeowners with service contracts typically are serviced first during periods of peak demand. When choosing a contractor, however, it's important to know that not all technicians have the same level of training. Look for a contractor that has at least one technician certified by North American Technician Excellence (NATE). You can find a NATE-certified technician in your area online at [www.natex.org](http://www.natex.org).**