

U.S. Department of Energy: Gas bills could be 40 percent higher

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By Jeremy Desel / 11 News

HOUSTON -- While we are sweating through the heat of summer, the depths of the winter may seem an eternity away.

Nevertheless, brace yourself for the bill. Not the electric bills that have people's eyes bugging now. Be prepared for the natural gas bills that are still to come.

"Considering that prices have increased so much since the beginning of the year, people need to be prepared for it," said Alicia Dixon of Centerpoint Energy, the energy company that is in the electric and natural gas business.

As a matter of fact, the U.S. Department of Energy on Wednesday warned customers that bills could be 40 percent higher for natural gas this winter.

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That has people like Albert Butler not sure where the cash to pay the higher bills is going to come from.

"When you (are) on a fixed income, you can't afford to pay that high price," said Butler. "When you are working on just disability."

For the past several years, the price of natural gas has been steady in the \$6.50 range for the month of July. This year, though, it peaked at \$13.

This as demand for the last decade and stocks of natural gas have stayed flat.

So, what gives?

"As the price of crude oil rose and heating oil and diesel soared, natural gas started moving up in sympathy with that," said energy expert Andy Lipow. "Because it is the alternative for people in the northeast."

Despite the fact, that unlike oil, only 15 percent of the natural gas in the U.S. is imported. Analysts say that some of the run up in price is based on market speculation.

"Regardless of what is driving the increase, prices have increased," said Centerpoint's Dixon.

So, for people who have tight budgets?

"They have to go back to the drawing board and cut out something to make room for that they did not expect that would come in," said community activist Darrell Patterson who works with residents who struggle to make ends meet on limited budgets.

The best advice?

"Even though it is hard to think about it now, people do need to think about it now," said Dixon.