

# HeraldNet

Everett, Wash.

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Published: Sunday, October 12, 2008

## Heating bills: Will yours get bigger?

**Natural gas costs are expected to rise, while electricity bills will likely remain about the same.**

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Heating homes with natural gas is expected to cost about \$83 more during the fall and winter heating season in Snohomish County than a year ago, while electricity users are unlikely to see any rate hikes.

Most people in the county heat their homes with electricity or natural gas. Electricity heating bills are expected to remain the same this heating season from October through April as the same period a year ago, costing a household \$97 a month on average, according to Snohomish County PUD.

Washington relies heavily on hydroelectricity. That shields the state against bigger hikes in heating bills seen in oil-dependent regions such as the Northeast, said Tony Usibelli, energy division director of the state Department of Community, Trade and Economic Development.

"It's a pretty good year for hydroelectricity," Usibelli said.

Still, this heating season is expected to be hard on many people because food and gas prices remain high, while the national economy has slowed. Government agencies are encouraging people to be more energy efficient; they are trying to pump more money into energy assistance programs for low-income people and senior citizens.

"Low-income families are being squeezed harder this year," said Bill Beuscher, who supervises energy assistance and weatherization programs for Snohomish County.

Forty-three percent of households in Snohomish County use natural gas for heating, 42 percent of them rely on electricity, and the rest use propane, oil or wood, according to a survey conducted by Snohomish County PUD in early 2008.

More new homes are being built with natural gas furnaces, as builders see it as a more efficient and cheaper heating source, said Neil Neroutsos, a spokesman for the utility.

State regulators recently raised natural gas bills by about 10 percent, or \$8.49 a month. That's expected to bring the average monthly bill to \$90.61. The new rate took effect Oct. 1. About 125,000 customers in Snohomish County use natural gas through Puget Sound Energy, said Dorothy Bracken, a spokeswoman for the Bellevue-based company.

"There is no profit from that for the utility," Bracken said.

Natural gas prices skyrocketed in late 2007, Bracken said. After peaking this summer, the prices have dropped somewhat and are expected to continue to fall.

The rate increase reflects the price changes, Bracken said.

"The increase that happened last winter was dramatic," she said.

Another rate hike is set to take place on Nov. 1 to offset rising operation costs for the company, Bracken said. That's expected to increase the average monthly bill by about \$4 to \$94.50.

Heating oil prices are expected to be cheaper this winter than a year ago, said Steve Clark, president of Genesee

Fuel & Heating Co. in Seattle that provides service in Snohomish County as well.

Crude oil prices started rising about a year ago and reached a record high above \$147 a barrel in July. Heating a home with oil cost a household about \$2,125 on average last winter from October through April, Clark said.

The price tag could go down to about \$1,750 this heating season, he added. Crude oil prices have dropped steadily since July, he said, and currently are below \$80 a barrel, and they could keep falling if the global economy paralyzed by the credit crunch decreases the demand for oil.

"There's still more room to follow," Clark said.

Heating oil companies in Puget Sound buy the fuel at spot markets, making purchases as they need, Clark said. That's different from airlines that have bought oil at higher prices earlier this year in futures markets and are now passing the cost to passengers.

Meanwhile, the PUD is set to offer discounts for low-income and senior citizens, starting on Nov. 1.

The county this month started an assistance program for low-income natural gas consumers. The program, funded by Puget Sound Energy, allocated \$468,023 to 1,305 households last winter, Beuscher said. The average gas grant was \$359 per household.

Another energy assistance program is set to start on Nov. 17 in the county, Beuscher said. The program is open to low-income households that use any type of heating sources including electricity, natural gas and oil. The federal program distributed about \$1.9 million to 4,589 low-income families last year. The average grant last year was \$408 per household.

The two programs run by the county could expand this year, Beuscher said.

"We are expecting a very busy year," he said.

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