

Staying warm to cost up to 90% more; This winter could frost the finances of much of nation; [FINAL Edition]

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U.S. households can expect to pay sharply higher monthly heating bills this winter, with the increases ranging from 45% to 90% in much of the country, utility companies and weather forecasters warn.

Surging energy prices, which have been climbing since spring, come at a time when many households are contending with higher mortgage-finance costs, higher taxes that accompany increased real estate assessments and property-insurance price increases the past two years.

John Tuccillo, former chief economist at the National Association of Realtors, says these creeping demands on household incomes will cut U.S. economic growth by three-quarters to 1 percentage point next year. Raphael Bostic, a professor of urban economics at the University of Southern California, says fixed-income and low-income households will be hardest hit.

Higher energy prices are now the No.1 concern of most small and midsize business owners, a PNC Financial Services Group survey revealed Thursday. (Story, 5B.)

In many parts of the USA, energy utilities are seeking double-digit rate increases from state regulators, though with mixed success. In Nevada, Sierra Pacific Power sought approval in July for a 19% increase in natural gas prices, to be effective next month, a request state regulators revised upward to 27.2%.

In Kansas and Oklahoma, authorities responded to two utilities' recent requests for higher rates with proposed rate cuts. In Ohio, the utility FirstEnergy agreed to defer most fuel-based cost increases for three years, in part to help authorities manage tight budgets. More often than not, however, higher costs are being passed on to consumers.

AccuWeather.com meteorologist Ken Reeves predicts "a very cold winter" for New York -- after average winter temperatures last year - - contributing to an estimated 50% increase in winter heating oil charges there. In the Midwest, where natural gas is the chief heating fuel, Reeves predicts 70% higher heating costs.

Piedmont Natural Gas of Charlotte says that prior to Hurricanes Katrina and Rita, its natural gas costs had increased 57% over last winter, resulting in projected increases of \$60 to \$90 a month for its residential customers' bills this winter. Since then, natural gas prices have risen higher, faster.

Atmos Energy of Dallas, which serves 3.2 million customers in 12 states, says many of its residential customers will now pay about \$690 in gas utility bills for the five-month winter heating season from November to March, up 88% from \$367 a year ago.

Atmos CEO Bob Best observes, "We like to say nothing good happens with high prices."