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PRESS RELEASE

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OPC Challenges Washington Gas to Come Up with New Ways to Help Consumers Cope with Paying Winter Heating Bills

“Five years after we first saw record hikes in winter fuel costs, Washington Gas still has not found a way to devise any new or creative alternatives to help consumers cope with their heating bills and maintain their service year round,” stated People’s Counsel Elizabeth A. Noël. Today, the Office of the People’s Counsel requested the Public Service Commission to initiate an investigation into the impact of rising natural gas prices on District of Columbia consumers for the purpose of developing new solutions to minimize the impact.

“With this filing, OPC solicits comments from stakeholders, including consumers, and we want to move quickly to discuss potential solutions that could be adopted **now** so District consumers can cope with their winter heating bills and most important, so WG can implement these programs during the upcoming winter heating season” said Ms. Noël. OPC seeks to initiate this process by suggesting more than a half-dozen proposals, including a Winter 2005-2006 Moratorium on service disconnection, a “Fixed Payment Plan,” and a Utility Consumer Emergency Relief Fund. These plans would at least be a starting point for discussion. Adopting a mix of these plans could provide benefits to consumers at **any** income level.

Rising natural gas prices are a national concern. In 2005, District consumers are paying record highs in natural gas commodity charges. The average Washington Gas “purchase gas charge” (what WG pays for gas and passes directly on to consumers) this year has been \$0.959 per therm. This month the purchase gas charge has reached an all-time high of \$1.1053 per therm. High summer temperatures caused increased electricity consumption. Concerns over natural gas storage levels, rising crude oil prices, and uncertainty over the impact of Hurricane Katrina (and possibly Hurricane Rita) on oil and natural gas production are also a factor. Industry experts predict prices will remain near record highs. For the record, these costs are not regulated by the Public Service Commission.

Washington Gas recently announced the average cost to heat a home in the Washington, D.C. area could rise between 20-32 percent over last year. WG says this will result in the typical residential consumer paying between \$1,131 and \$1,274 during the 2005-2006 winter heating season, up from about \$960 last season.

“There is no reason to wait. Now is the time to begin a collaborative effort to take proactive measures to address the impact of higher prices before the crisis hits” said People’s Counsel Noël. “Consumers deserve all the help enlightened minds can muster.”

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