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Don't touch that thermostat

Experts say winter heating bills might increase by up to 60 percent

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The mercury flirted with record highs Wednesday, but a steamy September day wasn't too early to ask Dave Menzer about the winter.

Menzer, co-chairman of the Coalition to Keep Indiana Warm, preoccupies himself with winter year-round. The prediction by utility and government experts that winter heating bills will increase dramatically this year has him anxious.

"The big concern is the potential for a real home-heating crisis this winter," said Menzer, team leader of utility programs for the Indiana Community Action Association. The association is a member of the Coalition to Keep Indiana Warm, an assembly of utilities, service agencies and other organizations.

It's still early, but the experts agree on one thing – costs will go up. Menzer has heard predictions of increases from 20 percent to 60 percent for natural gas rates.

NiSource, the parent company of the Northern Indiana Public Service Co., told the Indiana Utility Regulatory Commission in late June that it had 16 percent less natural gas stored than the same time last year, according to the commission.

NIPSCO expects its natural gas costs to be higher this winter, although the company generally waits until October to make more specific estimates because the hurricane season can affect prices, spokesman Nick Meyer said.

NIPSCO serves about 445,000 electric and 712,000 natural gas customers in the northern third of Indiana.

Heating oil – which heats less than 10 percent of homes in the Midwest, according to the Department of Energy – could be up 40 percent from last winter, the U.S. Energy Information Administration said.

The ominous predictions have utilities and aid programs scrambling to get people to winterize their homes, making them more energy efficient. But the amount of money dedicated to winterization by various governmental programs decreased by 10 percent from 2006 to last year, according to the U.S. Department of Health and Human Services.

Winterization is a long-term way to address costs that will continue to go up, Menzer said.

In the meantime, the winter energy forecasts highlight a growing gap between what people can afford and the assistance available for people trying to stay warm.

Many winter heating and summer cooling aid programs depend on funds from the federal Low Income Home Energy Assistance Program, which is for low-income people and the elderly.

Last year, aid agencies chewed through their resources early. Ohio's emergency heating assistance program began dipping into its funds for the summer of 2008 in mid-December, which was when NIPSCO reported a 23 percent increase in its Winter Warmth program, designed to help low-income customers pay their bills.

The non-profit Community Action of Northeast Indiana took about the same number of applications for its energy assistance program last winter as the winter before, said Pam Brookshire, director of program operations.

Brookshire's organization will meet soon to learn what aid will be available this year and how it will be distributed.

Some advocates say it's safe to assume the available assistance won't be enough for the winter ahead. The federal energy assistance program has suffered cuts under the Bush administration to \$2 billion, putting it near levels at which it was initiated in 1982.

The available funding will cover an estimated 16 percent of the nation's residents who need assistance, said Kerwin Olson, program director for the Citizens Action Coalition of Indiana, which is a member of the Coalition to Keep Indiana Warm.

"That's going to leave a lot of people out in the cold," Olson said.

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