

Sunday
Business



Gas bills to turn up heat

Careful decisions, conservation best approach now

The volatility of the natural gas market is like none we've seen before. Every time I hear a new price, I shake my head in disbelief.

This winter stands to be brutal when it comes to heating costs, especially if you're choosing a provider now. The federal government is predicting natural gas prices are going to increase 71 percent in the Midwest.

For the average Dominion East Ohio customer, that's an additional \$700 in heating costs from October through March.

Even if you chose a provider earlier this year and are not

facing rates of \$14 to \$16 per thousand cubic feet (mcf), your costs this winter are going to be higher than last year.

Yes, it feels like we're living on the edge of a knife. There are no longer any clear answers when choosing a natural gas supplier, as I will explain later.

Just know that careful decisions and conservation are your best avenue now.

Some colleagues and I have put together several stories and graphics to help save you money. Read this section carefully.



BETTY LIN-FISHER

How did the nation get to this point?

Prices were at record highs even before Hurricanes Katrina and Rita hit a large natural gas production area and sent prices spiraling upward.

Three months ago, when I did my last analysis of gas prices, I lamented that suppliers had broken the \$10/mcf price barrier.

Many of us were coming off a two-year, \$6.99/mcf rate with WPS Energy Services. Five years ago, thousands of area residents were paying a \$4.91/mcf rate

such as increased drilling for natural gas and importing more liquefied natural gas.

Others are predicting increases, or small decreases, to pre-hurricane levels - around \$10/mcf.

One thing is clear: The most dependable way to save is going to be to use less gas.

Energy efficiency has multiple benefits, said Ronnie J. Kweiler, deputy director of communications for the Alliance to Save Energy, based in Washington, D.C.

Energy efficiency saves money and can increase indoor comfort. As a whole, it will reduce demand, which then hopefully will be reflected in lower prices.

with FirstEnergy Services.

Will prices continue to go through the roof?

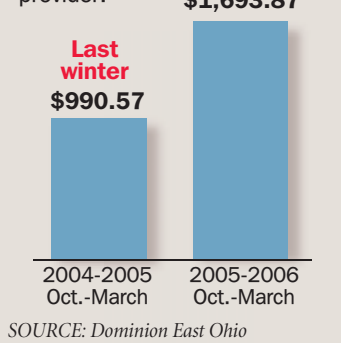
Or will they come back to our new "normal" - if we have one?

No one has a crystal ball. Natural gas prices are based on the laws of supply and demand. A lot of what happens in the short term will depend on repairs in the Gulf of Mexico. Some in the industry also say there are longer-term solutions,

Consumer reporter's choices on natural gas suppliers. Page D6.

Anticipated heating increases

The U.S. Energy Information Administration has forecast a 71 percent increase in heating costs for natural gas users in the Midwest. Here's a look at the average Dominion East Ohio customer who did not choose another provider.



Akron Beacon Journal

How to cut home-heating costs

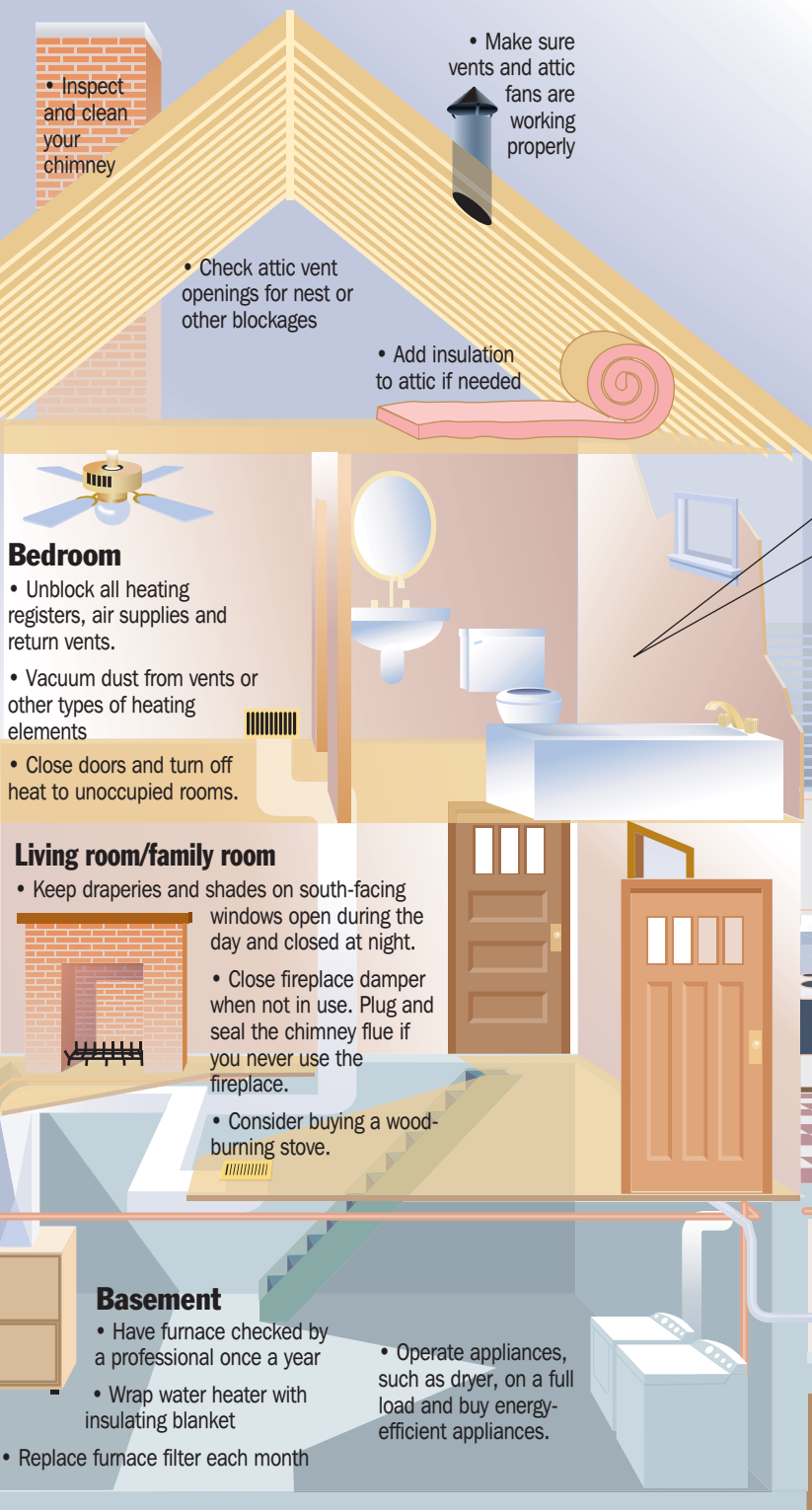
General areas

- Get a programmable thermostat, which adjusts temperature automatically.
- Cover insides of windows with tight-fitting plastic sheeting.
- Insulate exterior walls.
- Replace single-pane windows with double-pane, low-emissivity windows that will better hold heat.
- Apply storm windows to the inside of your windows to create better protection against heat loss.

- Plug all holes, including light switches and outlets.

- Install storm doors and windows
- Add or replace worn weatherstripping; caulk gaps where necessary

- Set water heater to "warm" or 120 degrees.
- Consider buying solar panels for your water heater.



Bedroom

- Unblock all heating registers, air supplies and return vents.
- Vacuum dust from vents or other types of heating elements
- Close doors and turn off heat to unoccupied rooms.

Living room/family room

- Keep draperies and shades on south-facing windows open during the day and closed at night.
- Close fireplace damper when not in use. Plug and seal the chimney flue if you never use the fireplace.
- Consider buying a wood-burning stove.

Basement

- Have furnace checked by a professional once a year
- Wrap water heater with insulating blanket
- Operate appliances, such as dryer, on a full load and buy energy-efficient appliances.
- Replace furnace filter each month

- Make sure vents and attic fans are working properly

- Check attic vent openings for nest or other blockages

- Add insulation to attic if needed

Helpful hints

- **Lower the thermostat.** You can save about 3 percent on heating bills for each degree.
- **Draft stoppers.** Block off drafts at the bottom of doors with a rolled up rug or bath towel. Making a long, narrow beanbag to fit along the base of the door also works well.
- **Here's a card trick.** If a playing card fits in the crevice of an outside door, you need more weatherstripping.



You need more than hot air.

Use a vaporizer to humidify bedrooms. A room can feel much warmer at a lower temperature setting with a little humidity in the air. Houseplants will help increase humidity.

Don't open and close outside doors needlessly. Limiting traffic going out and coming can keep your home warmer and draft free.

Bathroom

- Leave the bathroom door open after a shower to allow steamy air to circulate.
- Install flow-restrictor shower heads and shorten your showers to use less hot water.

- Reverse switch on ceiling fans to draw warmer air upward to better circulate it.

Kitchen

- Use kitchen ventilation fans wisely; fans can pull out warm air.
- When baking, keep preheating time to a minimum. Use the smallest pan possible to save energy.
- Cover pots and pans with lids to reduce cooking time.

- Caulk, weatherstrip around pipes and ducts that travel through exterior walls

- Fill propane or oil tanks

SOURCES: Ohio Consumers' Counsel, Public Utilities Commission of Ohio, U.S. Department of Energy, Dominion East Ohio RICK STEINHAUSER/Akron Beacon Journal artist Research by staff writers BETTY LIN-FISHER, MIKE RASOR and DAVE SCOTT

INSIDE

3 Cut costs by piling on the insulation, starting with the attic.

4 Home Energy Assistance Program helps the poor.

5 Natural gas industry wants production limits eased.

5 How to save with your energy-eating appliances.

6 Price impact severe for large gas users, like cities and schools.

OHIO.COM
Hear consumer reporter Betty Lin-Fisher discuss energy prices, on Ohio.com.

COMING MONDAY
Businesses can save as gas prices rise.

It's time for your fall tuneup

Annual furnace inspection, new filters help heating bill

By Betty Lin-Fisher
Beacon Journal business writer

The largest contributor to a huge natural gas bill this winter probably will be your furnace or boiler.

So it's important to make sure your furnace is in top condition.

The least painful approach is to have an annual inspection and change filters regularly.

You may also consider replacing an aging furnace with a more energy-efficient model, at a cost of a few thousand dollars.

The interest among consumers for furnace tuneups already is high, with concerns about rising natural gas prices, said Bill Blind, president of Blind & Sons/Tri-County of Barberton.

A furnace needs a checkup just like a car, said Peggy Laramie, director of public relations for the American Gas Association, the trade

organization that represents the nation's local natural gas utilities.

During an inspection, which can range from \$70 to \$100, a technician will check whether the furnace is operating correctly and whether there are leaks. The technician will also perform other maintenance tasks, such as lubricating parts and tightening electrical connections, Blind said. Many companies include a combustion analysis, which will determine the efficiency of the burner, Blind said.

"Over the years, the folks who have the annual maintenance done on heating and cooling systems have systems that last longer and they're generally happier with their systems than people who don't," Blind said.

An annual inspection also eliminates potential problems

Please see **Furnaces, D3**



LEW STAMP/Akron Beacon Journal

Scott Crawford of Blind & Sons/Tri-County of Barberton checks to see whether a furnace is operating correctly and whether there are leaks. He also performs other maintenance tasks.

WEATHERING THE WINTER: HELP ON HEATING

Submit best, worst decisions

Stories will help reveal your money personality

Twenty-five years ago, when another newspaper hired me for a job I thought was more "prestigious," I felt the need to dress the part. With utter disregard for the South Florida heat - and my own predilection for cool, comfortable clothing - I splurged on a couple of wool three-piece suits.

Emboldened by a higher salary, I also bought other expensive stuff, including an organ and a "state of the art" chess-playing computer.

But with my new hellacious hours at work, I never found time to play the organ and ended up selling it for a fraction of what I paid. The chess-playing computer quickly became obsolete and one day stopped working. The new job? It wasn't a good fit and I resigned after eight months. My barely worn suits, too hot for comfort, hung in the closet for years before I donated them to a charity-run thrift shop.

Altogether, I spent at least \$5,000, more than I got for switching jobs. But my loss was far greater. Had I invested the money and matched the return of the Standard & Poor's 500 Index, I would be sitting on about \$120,000 today.

Does that mean we should never splurge? Not at all. My wife, Georgina, and I have spent far more than \$5,000 on many memorable trips, including expeditions to Antarctica and the Amazon. I have happily spent thousands of dollars over the years to build a 7,000-song digitized music library and a computerized collection of a million-plus master chess games. The difference is that these expenditures actually give me pleasure.

I was thinking about this topic after reading numerous books and articles on behavioral finance. (Among recent ones, check out the article *What Money Type Are You?* in the August 2005 issue of Money magazine, and the book *How Much Is Enough*, by Diane McCurdy, published by Wiley in September.)

Details differ, but the basic premise is the same: We all have distinct money personalities that shape our approach to saving and spending.

Some of us, myself included, are natural savers who value and enjoy financial security and prefer to make rational decisions about money (but, as you've seen, can succumb to irrational urges). Others, with more of an entrepreneurial bent, thrive on taking risks in pursuit of big riches and/or doing great things with their money. Others want to spend every cent they make, now. For others, their greatest pleasure is giving their money away, such as donating it to charity.

No one money personality is "better." They are just different. Many of us exhibit traits from more than one personality type. The important thing is to know what we are and compensate for it when necessary.

All of us can be financially successful - and happier - if we recognize and acknowledge our own money personalities. Doing so is much more likely to work than following rules that may appeal to rational savers but not other types.

And going well beyond hobbies, major life decisions cannot be judged merely on dollars and cents. "Many of the important decisions we make are so inexplicable or illogical or even impossible from a financial standpoint," said Mari Adam, a certified financial planner in Boca Raton, Fla., who, like me, considers herself a rational saver.

Adam is talking about couples who struggle to save money to adopt, or debate having one parent stay home with the children knowing the financial sacrifice such a choice entails, or think about quitting a job they hate without knowing how they're going to pay the bills.

"What drives these decisions is a very personal search for happiness, not the maximization of wealth," Adam said, and I think that's how it should be.

How about you? I invite all readers to write and share what you think have been your best and worst spending decisions. I'll pick the ones I consider the most interesting and include them in a future column.

Humberto Cruz welcomes questions and comments from readers. He will answer those of general interest in his column. Write to him c/o Tribune Media Services, 435 N. Michigan Ave., Suite 1500, Chicago, IL 60611; or e-mail him at AskHumberto@aol.com.

Pile on insulation to keep the heat in

If house feels drafty, insulate attic first

By Mike Rasor Beacon Journal business writer Most homeowners know next to nothing about the insulation in their homes. U.S. government surveys say this is so.

But many homeowners can feel how well insulated their homes are.

And the impression of many is enough to make you shiver.

In an Energy Information Administration report last year, 20 percent of the 107 million respondents said their homes were poorly insulated or had no insulation. About half said they feel drafts in the house during the winter.

The study showed that older

homes were less likely to be properly insulated.

Because of inadequate insulation, a homeowner may be paying 30 percent more than necessary for heating, the U.S. Department of Energy estimates. An investment in attic or wall insulation could pay for itself in 16 years, according to the department.

A drafty home during the winter usually is a sign that more insulation is needed, according to Dan Toth, owner of Fortress Insulation in Ravenna.

Toth recommends insulating the attic first. He compares attic insulation to a blanket, because it covers the house and keeps the hot air down.

"You will see more bang for

your buck if you do the attic before the walls," Toth said.

Attic insulation is also the easiest for a homeowner to do himself or herself, the energy department said.

Insulating helps keep heat in during the winter, but also reduces reliance on air conditioning in the summer, said Wilson Gonzalez, a senior regulatory analyst at the Ohio Consumers' Counsel.

"It's sort of like a double whammy," he said.

Insulation effectiveness is measured in R-value. The energy department recommends an attic with a 38 R-value. An interior basement wall should have an R-value of 11, the government said.

The U.S. Department of Energy's Web site has tools to calculate your home's insulation needs. Go to www.ornl.gov/sci/roofs+walls/insulation/ins_05.html.

There are several types of insulation, from the reflective covering often lining basement walls to the loose materials that are likely covering an attic floor or filling an inside wall. Of the loose-fill materials, cellulose is most effective, with a 3.5 average R-value per inch of thickness.

For guarding against heat loss through walls, a product called polyisocyanurate board, which is

foil-faced insulation, has the highest per-inch R-value (7).

The energy department has an online calculator to determine the necessary R-value for each part of a home, based on the home's geographic region and heating system.

The Web site also contains a table to help homeowners determine their current R-value. Both tools can be found at www.ornl.gov/sci/roofs+walls/insulation/ins_05.html.

Toth said he expects to see more homeowners insulating before winter this year.

"If you don't prepare for the future by investing in insulation, you'll see that in the long run, you will be paying big when it comes to your heating bills," Toth said.

Mike Rasor can be reached at 330-996-3838 or mrasor@thebeaconjournal.com.

Furnaces

Replacing old model may not be best choice

Continued from Page D1

with carbon monoxide, said Neil Durbin, spokesman for Dominion East Ohio.

Equally important is changing or cleaning furnace filters once a month during the heating season, according to experts. Most homeowners can do this themselves, they said.

If you don't clean your filters, the furnace "has to work harder to breathe," Laramie said.

The efficiency of your system "is directly related to the cleanliness of your filter," Blind said. "When it gets dirty, it slows the air flow and less of that heat is getting to your registers."

Replace furnace?

Is replacing a furnace - especially in light of high heating costs this winter - a viable solution?

It depends.

If your furnace is near the end of its life, then it pays to replace it with a more energy-efficient model. But if you have a furnace in good condition, buying a furnace isn't probably at the top of your mind to help you save money.

"If you weren't going to replace your furnace, it's a much more difficult financial situation. The savings of a couple of years isn't going to pay that back, unless you were going to do that anyway," said Andrew DeLaski, executive director of the Appliance Standards Awareness Project in Boston, a coalition of consumer and environ-

Internet energy conservation sites

Here are some helpful Web sites to learn more about energy conservation tips:

- www.eere.energy.gov/consumer - U.S. Department of Energy's Energy Efficiency and Renewable Energy Department
www.energysavers.gov - The U.S. Department of Energy
www.energystar.gov - A government-backed program to help protect the environment through energy efficiency.
www.ase.org - Alliance to Save Energy. Also good for children; see below.
www.puco.ohio.gov - Public Utilities Commission of Ohio
www.pickocc.org - Ohio Consumers' Counsel
www.aceee.org - American Council for an Energy Efficient Economy
www.aga.org - American Gas Association
www.eia.doe.gov - Energy Information Administration

For children

Want to educate your children about not wasting energy and being responsible? Try these sites:

- www.ase.org - Alliance to Save Energy. Click "consumers" and then "kids."
www.energyhog.org - Interactive public-service announcement site to educate kids to conserve energy.

mental groups that advocate minimum efficiency standards.

Some people still choose to upgrade working furnaces for more efficient models, said Blind of Blind & Sons.

Furnaces can range from \$1,500 to \$4,000, Blind said.

Cost savings with a new furnace will vary, depending on the age and condition of the furnace being replaced and the energy efficiency of the new model. In some cases, the savings could quickly pay for the investment, experts said.

Betty Lin-Fisher can be reached at 330-996-3724 or blinfisher@thebeaconjournal.com

Navigating around the globe? Come home, to http://www.Ohio.com

MBA Information Fair advertisement featuring AACSB Accredited Programs, participants list (The University of Akron, Kent State University, Case Western Reserve University, Cleveland State University, John Carroll University, +8 Other Universities in Ohio), dates (Monday, October 10, 2005, 5:00-7:00p.m. and Tuesday, October 11, 2005, 5:00-7:00p.m.), and contact information (330) 972-7043.

!!ATTENTION!! For IRA Account Holders Only advertisement. If you have over \$100,000.00 in an IRA account, you may be missing huge tax savings. A little known strategy may save you tens of thousands of dollars in taxes on your IRA account over your lifetime. All the details of this strategy are outlined in the FREE REPORT: "The Real Truth About Your IRA". To get your FREE REPORT call the toll-free number below 24 hrs/7 days. 1-888-757-2982. Review the information provided in the Free Report in the privacy of your home.

FIVE MILLION GREAT REASONS TO VISIT YOUR LOCAL VOLVO RETAILER advertisement. Includes reasons #1-7, Volvo for Life Days (Volvo's Largest-Ever Drive to Fight Pediatric Cancer October 8-16), and contact information for Kempthorn Automall (1449 Cleveland Ave., NW Canton 330-452-6511).

Free Small Business Checking with unbeatable service advertisement. Features a photo of a smiling woman, the text "FREE Small Business Checking—from the winner of two national awards for excellence.", and the FirstMerit Bank logo. Includes details about the GreenWich Business Banking Award and contact information.

WEATHERING THE WINTER: HELP ON HEATING

Fired-up gas prices mean he will fire up wood

Bath resident thinks stove will cut cost 70%

By Dave Scott
Beacon Journal business writer

Dr. Ken Shane has a simple reason for wanting a wood-burning stove in his family room.

"I like having those cheap gas bills," he said during a break from installing the stove at his Bath Township home.

He figures his natural gas bills would be about \$400 a month this winter without help from the stove. He believes he can cut that bill by about 70 percent with the \$1,299 stove he bought at Lehman's hardware store in Wooster.

Glenda Lehman Ervin,

Firewood prices vary from \$50 a cord from rural merchants to \$270 from stores selling cured and split hardwood. Delivery often is extra.

spokeswoman for Lehman's, said demand for stoves is up considerably this year with reports that natural gas prices will be at record highs. Lehman's specializes in nonelectric and old-fashioned products.

However, sales have not been

up across the board. Representatives for Home Depot said the company has seen no change in demand for wood-burning stoves this year. Lowe's officials described a slight increase.

To get through the winter, Shane plans to burn about three cords of wood at a price of about \$175 a cord.

Prices for firewood can vary. Area stores quote \$135 to \$270 per cord for cured and split hardwood. Prices from rural merchants can be as low as \$50 a cord. Delivery charges are extra.

Firewood must be "cured," which means it has been cut and left in a dry place for at least a

year so that the wood is dried out. Burning green wood is dangerous because it leads to creosote buildup in the chimney, a fire hazard.

The kind of wood makes a difference, too. For example, birch produces more heat than poplar. Most of the merchants described their wood as from "mixed" species.

When checking stove prices, also consider the cost of adding a chimney. That can increase the total bill from \$200 to as much as \$1,000.

Shane likes that his new stove has a catalytic converter to make the wood burn cleaner. And it can stay lit for 12 hours on one load.

Dave Scott can be reached at 330-996-3577 or davescott@thebeaconjournal.com.



EMILY RASINKI/Akron Beacon Journal
Ken Shane raises the main part of his new wood stove so he can install the legs.

Saving Time & Money

Making cool rooms warm

Some do-it-yourself tips for making drafty rooms comfortable:

Seal the outside

- Use foam sealant to fill in foundation gaps
- Seal around dryer vents, hose bibs, outdoor outlets, water spigots, television cable jacks and lines – anything that protrudes from the house
- Caulk along corner molding seams, joints where siding meets foundation and between window frames and siding

Tops and bottoms

- If your house has an attic, seal any moisture lines where walls meet ceiling
- If you have an unfinished basement, fill in cracks along floor; close gaps, cracks in crawl spaces

Tighten doors, windows

- Seal around door frames; add weatherstrips at sides, bottom
- Caulk cracks around window frames and where glazing meets sash, sash meets jamb
- Close blinds, drapes or shades to reduce heat loss

Providing more heat

- If you have forced-air heat, make sure return-air vents are not blocked; partly close duct dampers to warmer rooms to force heat into cooler ones
- If you use a space heater, never connect it with an extension cord; maintain clear space of at least 3 feet around heater; install a smoke detector



Knight Ridder Tribune

Source: DAP, Inc., U.S. Energy Department, KRT Photo Service

Audit can mean savings

See if your house needs blower-door test

By Betty Lin-Fisher
Beacon Journal business writer

An energy audit – either done yourself or with a professional rater – can help you figure out ways to make energy improvements to your home that may save you money.

There are several free Web sites that walk you through do-it-yourself audits. You'll need to have some things handy, such as previous natural gas bills. After you enter information, you'll get recommendations for cutting energy costs.

You also can pay a professional company to do a more thorough energy audit. Professional audits can range from \$200 for work by a qualified home inspector to \$450 and up for work by an energy auditor. More in-depth tests include such things as a blower-door test, which can detect air leaks in a building.

CMC Energy Services, a Maryland company that specializes in energy efficiency, has come up with a network of accredited home inspectors who can perform a Home Energy Tune Up. Doris Ikle, the company's president, said the home inspectors would charge \$200 for an energy audit that does not include the blower-door test. If a blower-door test is required, an inspector will charge more, she said.

Energy auditors offer advice

Web energy sites, including calculators

Here are some helpful Web sites:

- <http://hes.lbl.gov>: Web energy audit sponsored by the U.S. Department of Energy and the Environmental Protection Agency. The site will compare your overall energy costs to those of the average house in your area and those of an energy-efficient house based on your ZIP code and information you input.
- www.energystar.gov: Click on "home energy analysis" to find out if your home energy use is above average in the "Energy Yardstick" or complete the "Home Energy Advisor" to get a customized list of energy improvements and possible savings.
- www.energysite.com: Site includes online calculators to help you determine whether to replace appliances, such as a furnace.

and do not sell anything, said Linda Trappe, president of Residential Energy Services Co. Ltd. of Westlake, which does audits throughout Northeast Ohio.

Trappe said audits vary, based on the size of the house, but can range from \$450 to \$800. Her company will spend two to three hours running tests, including the blower-door test.

Trappe said interest in energy audits is up, especially with the rising cost of natural gas.

Any type of audit – either do-it-yourself or professional – is helpful, said Holly Pendell, spokeswoman for the Ohio Department of Development's Office of Energy Efficiency.

Clients justify the cost of an

audit in the savings they get when they make the suggested changes, Trappe said. "The goal is to reduce your (energy) consumption."

The Ohio Office of Energy Efficiency recommends using professional auditors accredited by the state and certified by the national Residential Energy Services Network (www.natresnet.org).

The state also provides energy audits in some of its assistance programs to low-income families.

To find a home inspector through the Home Energy Tune-Up, go to www.home.tuneup.com

Betty Lin-Fisher can be reached at 330-996-3724 or blinfisher@thebeaconjournal.com

Solar power takes lot of green

Option pricey, iffy in Ohio

By Dave Scott
Beacon Journal business writer

ERIKA WELICZKO of REpower Solutions got into the solar power business a year ago "because there was nobody else doing this in Cleveland."

She still has little competition, and with natural gas prices going up, it would seem a perfect situation for her business. Yet she is seeing little increase.

She blames Northeast Ohio's cloudy climate and the price of solar panels.

"I've done a handful of installations around Northeast Ohio. I'm in this for the long run," Weliczko said.

"Last year I had \$120,000 in sales. . . . That's like baby steps."

Photovoltaic solar panels can turn sunlight into electricity and are far more popular in sunny climes like Arizona. The other major way of capturing energy from the sun is a panel that heats water.

"Solar water heating is not going to do 100 percent of your hot-water needs. . . . but it

A solar-powered home has up to \$9,600 in solar panels and gets about \$30 of electricity a month. The system would pay you back in about 320 months, or more than 26 years.

probably will do 70 percent of your hot-water needs," said Richard King, team leader for photovoltaic research and development for the U.S. Department of Energy.

The rest of the job would be done by a conventional natural gas or electric heater, he said.

A single panel costs about \$480 and produces about 120 watts or around 14.5 kilowatt-hours per month, Weliczko said. A typical home uses between 10 and 20 of those panels. So, for 20 panels, you would pay about \$9,600 and get about \$30 of electricity a month, she said. The system would pay you back

in about 320 months, or more than 26 years. The panels can last 30 years.

A solar water-heating system costs about \$2,000 and saves about \$30 a month on electricity, King said. "Our calculations show about a seven-year payback on a hot-water system," he said.

Some systems use batteries to store energy for night use, but a procedure called "net metering" is more popular, King said. Excess electricity is sold back to the utility company, essentially making your meter run backwards.

FirstEnergy Corp. has about 175 net metering customers, said company spokeswoman Ellen Raines. Customers are paid back at the full retail rate (around 11.5 cents per kilowatt-hour) until their bill is paid off. After that, if the solar panel is still producing excess electricity, the consumer is paid the "generation rate," or a bit more than 4 cents per kilowatt-hour.

"Right now people who buy photovoltaics are high-salary people who want to be green, who want to conserve and are able to pay for it," King said.

Dave Scott can be reached at 330-996-3577 or davescott@thebeaconjournal.com.

Heating help for poor

State has several aid plans

Beacon Journal staff report

The state has several programs designed to make sure all citizens can keep their homes heated.

"No one in Ohio who is poor should freeze," said Public Utilities Commission Chairman Alan Schriber.

With forecasts of soaring natural gas costs this winter, Gov. Bob Taft took steps last week that will broaden eligibility and increase some payments from Ohio's home-heating assistance programs.

"With heating bills on the rise this winter, we are working to protect our most vulnerable citizens from having their heat shut off," said Taft in announcing that participation in the Home Energy Assistance Program (HEAP) would expand from residents whose income is 150 percent of the federal poverty level to 175 percent this heating season.

The governor tapped \$75 million in surplus Temporary Aid for Needy Families funds to make this possible.

"This new program, coupled with a common-sense weatherization and conservation strategy, will ensure that Ohioans can heat their homes and make ends meet without the risk of

discontinued service," Taft said.

Under HEAP, consumers receive a one-time credit from state-regulated utilities on their heating bills. With the new money from Taft's directive, the average benefit per recipient this winter will be about \$430.

For more information about HEAP, contact your local Community Action agency or the Ohio Department of Development.

Ohio has other assistance programs, including:

- **E-HEAP or the Winter Crisis Program:** The emergency component of HEAP provides one-time assistance of \$175 per heating season to households that are disconnected, threatened with disconnection or that have less than a 10-day supply of bulk fuel. Making an appointment at your local Community Action agency will allow you to temporarily halt a disconnection.
- **PIPP or Percentage of Income Payment Plan:** This is a special payment plan that allows eligible customers to pay a portion of their household income each month to maintain service. The customer remains responsible for any unpaid balances.

Some utilities, like Dominion East Ohio, provide credits to customers who have made at

least a year of their payments on time. Customers who use natural gas must pay 10 percent of their monthly income to the gas company and 5 percent to the electric company. Customers with all-electric homes pay 15 percent.

- **Winter Reconnect Order:** The Public Utilities Commission of Ohio requires that all regulated natural gas and electric companies allow residential customers to pay no more than \$175 to maintain their service. If service has been disconnected, regardless of the balance owed, the customer may pay \$175 and possibly a reconnection fee of no more than \$20 to restore the service.

- **HWAP or Home Weatherization Assistance Program:** This is an energy efficiency program that helps lower bills. Some of the free services include insulation and heating system repairs or replacements.

For more information on the HEAP, EHEAP or PIPP programs, go to: www.odod.ohio.gov/cdd/ocs/heap.htm.

For information on the development department's weatherization programs, go to: www.odod.ohio.gov/cdd/oeef/res_hwap.htm.

Beacon Journal Columbus Bureau reporter Dennis J. Willard contributed to this report.

Where to get help with utilities

Beacon Journal staff report

There are many government and nonprofit agencies that can help low-income consumers pay for their utilities.

Two good agencies that can serve as clearinghouses are the Public Utilities Commission of Ohio at 800-686-7826 and the Ohio Consumers' Counsel at 877-742-5622.

If you are having difficulty paying a utility bill, first call the utility company to see what resources, payment plans or funds it offers.

Here are a few other resources.

Community Action

Each county has a Community Action agency, which administers E-HEAP, the emergency program that provides one-time help to people facing disconnection.

Akron Summit Community Action Inc.: 866-504-7400.

Community Action Council of Portage County: 330-297-1456.

Stark County Community Action Agency: 866-223-1242.

Community Action of Wayne-Medina: 330-264-8677.

For HEAP or PIPP, the state's payment plan program, you can also write to the Ohio Department of Development at P.O. Box 1240, Columbus, OH 43266-0583. Or call 800-282-0880.

Local resource centers

Local resource centers, known in many counties as Infoline or Infolink, can direct you to programs. In Summit, Stark, Medina and Portage, you can dial 211 from a home phone. When calling from phones outside the home, use these numbers:

Summit County: 330-376-6660.

Medina County: 888-330-4211.

Portage County: 330-297-4636 or 800-961-0191.

Stark County: 330-455-4636.

Wayne County: 330-263-6363.

Veterans commission

The Veterans Service Commission in each county

helps retired and active duty veterans pay bills and meet basic necessities.

Summit County: 330-643-2830.

Medina County: 330-336-6657.

Portage County: 330-297-3545.

Stark County: 330-451-7457.

Wayne County: 800-335-6638.

House Warming program

For information on the House Warming program, which provides insulation and furnace replacements for eligible customers, the Home Weatherization Assistance Program or Community Connections, an electric energy-efficiency program, call the East Akron Neighborhood Development Corp.: 330-773-2095. People there can direct you to the proper agency.

Or call the state Department of Development at 800-848-1300 and ask for the office of energy efficiency to find the local agency nearest you.

WILL RISING GAS PRICES ALLOW YOU TO KEEP EVERYONE WARM THIS WINTER?



Let Echols Heating show you how to save money on your heating bills with a new high efficient furnace.

Carrier
Turn to the Experts.™

BBB
Member

VISA
MasterCard
Discover
AMEX

6 months Same As Cash

*No payments and no interest for 6 months to qualified customers on the Carrier charge account. Account APR is 17.88%. Minimum finance charge is \$.50.

ECHOLS
HEATING & AIR-CONDITIONING INC.

85 Hanna Pkwy. • Akron, Ohio 44319
Ohio license #14897

330-773-3500
1-800-303-9460

WEATHERING THE WINTER: HELP ON HEATING

Gas industry wants production limits eased

Mountain drilling called one price solution

By Betty Lin-Fisher
Beacon Journal business writer

Earlier this summer, natural gas prices were already at all-time highs. Among the culprits were:

- Supply that couldn't keep up with high demand.
- A psychological link for traders on Wall Street between the price of oil and natural gas.
- The use of more natural-gas fueled electricity plants to accommodate heavy electricity

use during the summer.

- More use of natural gas in the global economy, including China.

Then Hurricanes Katrina and Rita hit the Gulf of Mexico, where 20 percent of the America's natural gas supply originates. Some estimates have 70 percent of the production still offline.

The result is a crisis, said Ohio Consumers' Counsel Janine Migden-Ostrander.

"That is a strong word, and I don't use it lightly," said Migden-Ostrander, whose job is to serve as the advocate for the state's residential consumers. "I think we have a problem that is not going away."

Peggy Laramie, director of public relations for the American Gas Association, the trade organization for regulated utilities such as Dominion East Ohio, said the answer to solving the problem of higher natural

gas prices is multifaceted: increasing imports of liquefied natural gas, encouraging consumers to be more energy efficient and allowing increased production of natural gas within the United States.

Some of the largest natural gas resources found underground in the country are in the mountain states on federal lands, where producers are not allowed to drill, Laramie said.

"Americans want to use more natural gas for electric power generation and manufacturing and home heating, but unfortunately, it is often too easy

for politicians to vote against policies that would help meet that demand," Laramie said. "Consumers are caught in the price squeeze."

There also needs to be a pipeline built to bring natural gas down from Alaska, but that realistically will take 12 to 13 years, she said.

The United States produces about 80 percent of the natural gas it consumes. The rest is mostly imported by pipelines from Canada, with a small proportion, about 3 percent, shipped in as liquefied natural gas from North Africa and

elsewhere.

Even if Canada can export more gas to the United States, there are few other alternatives to make up for the loss in domestic gas supplies.

In the short-term, natural gas storage levels are good. Industry experts say that as long as there's not an extremely cold winter to reduce the storage levels, there is no talk of natural gas shortages. But the supply is limited, which means the prices will be at a premium.

Betty Lin-Fisher can be reached at 330-996-3724 or blinfisher@thebeaconjournal.com

Science Matters

Power-hungry homes

With an increasing amount of appliances and devices in the home, the need for more power is rising steadily, and homes are becoming more and more dependent on electricity.

Major appliances
Example shows appliance's percent of a family's total electric consumption and ways to make the appliance use less power:

- Refrigerator with auto-defrost freezer 11%**
Keep main section at 36° to 40°F (2° to 4°C) and freezer at 0° to 5°F (-18° to -15°C)
- Water heater (used by four people) 23%**
Reduce hot water temperature from 130°F (54°C) to 120°F (49°C)
- Waterbed heater (300 watt, used 3 hrs. a day) 7%**
Consider replacing waterbed with a conventional mattress
- Outdoor lights (150 watt, used 10 hrs. a day) 4%**
Rather than leaving lights on constantly, connect them to a timer and motion detector
- Heating and cooling (36,000 btu/hr.) 32%**
Install thermostat with timer to lower heat when no one is home; keep filters, outdoor unit clean

Power use by smaller appliances
Contribution of each appliance to family's total electric consumption

- 3%** Clothes dryer, washer (2 to 3 loads a week), television (4 hrs. a day), electric oven (2,600 watt, 30 min. a day)
- 2%** Ceiling fan, computer, electric stove (2,100 watt, 30 min. a day)
- 1%** Stereo, microwave oven (1,450 watt, 25 min. a day)
- Less than 1%** Porch light, bathroom heat lamp (250 watt, 15 min. a day), hair dryer (1,000 watt, 10 min. a day), table lamp, VCR, garage door opener

Source: Florida Light & Power, U.S. Energy Information Admin. Knight Ridder Tribune

Window on the jargon

What window numbers and terms mean

By Mike Rasor
Beacon Journal business writer

Surely, homeowners will use natural gas prices as an excuse to replace their crusty single-pane windows. Or so Shaun Corradino thought.

But the owner of Worldwide Windows in Cuyahoga Falls has been surprised.

Corradino hears from his competitors and customers that windows aren't the first target when homeowners want to increase their energy efficiency. He has not been swamped with customers wanting to come in out of the cold.

"A lot of people out there aren't really educated on windows and what they can do for your home," Corradino said.

New windows can cost thousands of dollars for an entire home.

So it pays for customers to educate themselves.

Make sure you read the sticker on the window you want to buy, said Jim Benney, executive director of the National Fenestration Ratings Council. The organization administers the labeling system.

"It's very important (to read the label)," Benney said. "You don't know how that window performs without looking at the NFRC label."

Of the numbers on the label, the U-Factor is most critical, the Department of Energy says. U-Factor indicates the rate of heat loss. It usually falls between 0.2 and 1.2. The lower a U-Factor, the less heat escapes a home.

The maximum recommended U-Factor for Northern Ohio is 0.35, the International Energy Conservation Code determined.

The Solar Heat Gain Coefficient on the sticker pertains to the fraction of solar radiation admitted through a window. The higher the



Window walls with a southern exposure collect heat in this home.

A new double-hung, high-performance window can cost \$300 to \$400, totaling thousands of dollars for an entire home. It can take five to seven years to recoup that cost in energy savings.

based on the window style, not its installation.

Of the different styles, casement windows have the least leakage. Sliding windows allow the most air to leak, Corradino said.

"Most (sliding windows) are on wheels, so air can get around somehow," he said. "It's not the best sealing window."

But for most people, the decision still comes down to the initial price. A new double-hung, high-performance window can cost \$300 to 400, including installation, Corradino said.

It takes between five and seven years for window investments to be paid back in energy savings, Corradino said.

So when will window replacements become more widespread?

"It will take knowledge on heat loss and how much air they are losing," Corradino said.

Mike Rasor can be reached at 330-996-3838 or mrasor@thebeaconjournal.com.

Appliances eat energy

But here are savings tips for the home

By Mary Beth Breckenridge
Beacon Journal staff writer

Home-heating costs may not be the only culprit behind your skyrocketing natural gas bill. Gas appliances play a part, too.

To be sure, gas cooking ranges, clothes dryers and water heaters account for a smaller share of your bill than your heating system. And even with the rising cost of natural gas, they're still generally cheaper to operate than their electrical counterparts, said Doris Ikle, president of CMC Energy Services, a Maryland firm that specializes in energy efficiency.

Here's why: It takes 293 kilowatt-hours of electricity, or 1,000 cubic feet of gas, to produce the same amount of heat. With gas selling in the neighborhood of \$15 per thousand cubic feet and electricity around 11.5 cents per kilowatt-hour, it takes almost \$33.70 worth of electricity to produce the same amount of heat as \$15 worth of gas.

Nevertheless, those costs add up. So it pays to choose and use appliances wisely.

Here are some cost-saving tips from Ikle, the Alliance to Save Energy, the American Council for an Energy-Efficient Economy, the U.S. Department of Energy and the California Energy Commission.

It takes almost \$33.70 worth of electricity to produce the same amount of heat as \$15 worth of natural gas.

ideal for a big household.

Other types of water heaters include indirect heaters and solar heaters. Indirect water heaters let the home's boiler or furnace do double duty to heat the water, and when used in combination with a high-efficiency boiler or furnace, they're usually the cheapest way to provide hot water, the American Council for an Energy-Efficient Economy says. Solar water heaters are usually more expensive to buy and operate than a gas heater. A good overview of choices can be found at the Energy Department's Web site, www.eere.energy.gov/consumer.

Some steps to save on hot water:

- Lower the water heater temperature to 120 degrees, and turn the heater to its vacation setting when you go away.
- Wash dishes and clothes in full loads.
- Use cold water for laundry whenever possible, and always use the cold rinse cycle.
- If you're replacing a clothes washer or dishwasher, look for one with the Energy Star label. Consider a horizontal-axis clothes washer, which uses less water.
- Install low-flow shower heads and faucet aerators.
- Take shorter showers.
- Fix dripping faucets, especially hot-water faucets.

Clothes dryers

Dryers aren't rated by the government's Energy Star program, because most dryers of the same type use a similar amount of energy. If you're replacing your dryer, Ikle suggests looking for one with a moisture sensor to turn off the dryer when clothes are dry.

Some tips to reduce the gas used to operate your dryer:

- Use the fastest spin cycle to remove water from clothes.
- Use the dryer's cool-down cycle to finish.
- Dry heavy items such as

towels separately.

- Clean the lint filter after every load.

Ranges

Pilot lights used to eat up the savings of cooking with gas. But new electronic ignitions reduce gas use by about 30 percent over stoves with pilot lights, according to the California Energy Commission. As a result, a newer gas range costs less than half as much to operate as an electric one, the panel says.

Some tips for cooking:

- Keep preheating time to a minimum.
- Don't cover oven racks with foil. It blocks air flow.
- Use glass or ceramic pans instead of metal, which cook food at 25 degrees lower in the same amount of time.
- Clean a self-cleaning oven right after cooking.
- Use a pressure cooker to reduce cooking time and energy use by 50 to 75 percent.

Mary Beth Breckenridge can be reached at 330-996-3756 or mbrecken@thebeaconjournal.com

Natural Gas Prices Are on The Rise! Up to 70%!!

Save NOW... Save LATER
*UP TO \$1000 REBATE ON HIGH EFFICIENCY HEATING SYSTEMS

\$1000 Rebate must include purchase of infinity System.

GENE'S Refrigeration
Quality, Sales & Service Since 1959

1-800-525-6684 330-723-4104
330-225-6650 440-246-9674

6222 NORWALK RD., MEDINA, OHIO 44256
www.genesrefrigeration.com

HEATING • AIR CONDITIONING • PLUMBING • ELECTRICAL

12 MOS. SAME AS CASH
*WITH APPROVED CREDIT

\$69.00*
Furnace Tune-Up
With this Ad & 41351
*Excludes Oil

Burned up by high fuel prices?

We can help with a wood burning stove.

Think it isn't made anymore? Check with us before you give up.

We have one of the country's largest selections of wood burning stoves, fireplaces and accessories. A non-electric fan? We've got it. Hand-crafted bellows that will last a life-time? You'll find them at Lehman's. Fire starters, log totes, Pilgrim poker sets, and all the pipe and flue you'll need for your chimney.

We are your low-tech superstore.

Open every day except Sunday in Kidron, Ohio (four miles south of Route 30 between Massillon and Canton).

1-888-438-5346
www.Lehmans.com
PO Box 41, Kidron, OH 44636

Visit www.mostwoodstoves.com to see what type of stove is best for you.

WEATHERING THE WINTER: HELP ON HEATING

Here's a gas contract checklist

When considering a natural gas contract, remember to:

• **Confirm prices:** With the volatility of the market, prices change daily, so it's important to confirm prices directly with the marketers. Last week, I had to regroup several times because marketers changed their prices often. My chart has prices that were accurate as of Friday morning.

Two state agencies, the Ohio Consumers' Counsel (www.pickocc.org, 877-742-5622) and the Public Utilities Commission of Ohio (www.puco.ohio.gov, 800-299-7271), also publish charts of current offers. They're a good place to start and have all of the marketers' contact information, but again, confirm prices. Both agencies also have interactive calculators to help you crunch numbers.

• **Know your contract terms, including when it ends and whether there are cancellation fees.** You definitely don't want to give up a cheaper rate. If there's a fee to end your contract early, use your judgment.

Cancellation fees are all over the map. Some are not charging cancellation fees, many are charging \$25 and one company, Interstate Gas Supply, is charging \$150 if you leave its \$15.29/mcf fixed rate offer before next September. Vice president Doug Austin said the company needs to protect itself if consumers walk away because prices come down.

Many customers followed my recommendation in 2003 for WPS Energy's two-year \$6.99/mcf rate, which ended in August. If you didn't switch to another provider, you were automatically enrolled in the company's now-closed one-year price cap program.

That rate had a price ceiling of \$10.35/mcf, but if market prices go down, your monthly price will go down by 50 percent of the drop. The first month's rate, which you will see in this month's bill, was \$9.85/mcf, but next month's bill will be at the cap.

WPS Vice President Darrell Bragg said about 90 percent of the customers were rolled into the new program.

WPS' quarterly rate is closed to new enrollees, but Bragg said customers who were already enrolled in the quarterly program will get the \$8.99/mcf rate for this month's bill and \$12.30/mcf for November through January's bill. Bragg said he anticipates opening a new quarterly rate in November for January gas flow.

• **Get on budget billing:** To ease the sting of higher winter heating costs, take advantage of budget billing, offered by Dominion East Ohio, which continues to bill you even if you choose another provider. Budget billing doesn't save you money, but spreads out your costs over 12 months. Dominion re-evaluates your budget twice a year based on your usage and current rate. For people who stay with Dominion and its monthly Gas Cost Recovery (GCR) rate, Dominion uses a formula looking at your past usage and forecasts what might happen with prices to come up with the budget amount.

• **Check about government aggregation:** Many municipalities have aggregation groups, or negotiate a group rate for residents. These programs often have a limited enrollment period. In some cases, the rate is better than what's offered to the general public and in other cases, it's not much different.

For those who participated in the Akron group, city officials decided not to sign up with another marketer when the contract with Shell Energy expired last month. David Muntean, Akron's assistant law director, said marketers were not offering prices that were much better than consumers could get on their own.

However, the few thousand customers who participated are still considered Shell Energy customers. Customers have until Monday to tell Shell whether they want to cancel. If you don't cancel, you will automatically be enrolled in Shell's monthly variable plan for 12 months. October's rate is \$14.90/mcf. Most monthly variable plans don't have a long-term contract, but Shell's is for 12 months, or a \$25 cancellation fee. If you cancel before Monday, there's no fee.

— BETTY LIN-FISHER

Natural gas suppliers: Betty's picks

Prices change daily - prices as of Oct. 7

Natural gas supplier	Utility price if you don't pick a supplier	Supplier rate (price per thousand cubic feet [mcf])	Offer details (contract terms)	Cancellation fee	Average annual price For A & B see below*
Dominion East Ohio 800-362-7557 www.dom.com		Gas Cost Recovery (GCR) is \$13.22	Changes monthly; rate is for Oct. 4 - Nov. 1	none	Not applicable
If you want a one-year capped rate that may fall					
1. Vectren Source 800-516-6740 www.vectrensource.com		Capped at \$15.35 until March 2006	One year; offer starts at the price cap, but prices could fall if market does. After March, offer moves to slightly higher than public monthly variable; offer limited to first 4,000.	\$25	Not applicable
2. WPS Energy Services 888-367-4493 www.wpsenergy.com/ohio		Capped at \$16.80	One year; if wholesale prices fall, company guarantees monthly price will fall 50% of drop.	\$25	Not applicable
3. MXenergy 800-785-4373 www.mxenergy.com		Capped at \$21.50 until April 2006	One year; company has not yet set its first month's price, summer months are variable with no cap.	\$25	Not applicable
If you want a one-year fixed rate					
1. Shell Energy Services 877-557-4355 www.shellenergy.com/oh		\$15.90 fixed	One year	\$25	A. \$2,204.05 B. \$2,208.61
1. Vectren Source 800-516-6740 www.vectrensource.com		\$15.90 fixed	One year	\$25	A. \$2,204.05 B. \$2,208.61
2. Interstate Gas Supply 877-444-7427 www.igsenergy.com		\$15.29 fixed	Through Sept. 2006	\$150	A. \$2,130.16 B. \$2,134.72
If you want a multiyear fixed rate					
1. Dominion East Ohio Energy (Dominion subsidiary) 877-796-0957 www.dom.com		\$12.75 fixed	Five years; limited supply offer	\$100	A. \$1,822.50 B. \$1,827.06
2. MXenergy 800-785-4373 www.mxenergy.com		\$14.49 fixed	Three years	\$25	A. \$2,033.26 B. \$2,037.82
3. Direct Energy 888-566-9988 www.directenergy.com		\$15.29 fixed	Three years	none	A. \$2,130.16 B. \$2,134.72
4. Shell Energy Services 877-557-4355 www.shellenergy.com/oh		\$15.90 fixed	Two years	\$25	A. \$2,204.05 B. \$2,208.61
If you want to ride the market with a monthly rate					
Vectren Source 800-516-6740 www.vectrensource.com		\$13.46 variable	October rate	none	Not applicable
Commerce Energy (formerly ACN Energy) 877-226-5371 www.commerceenergy.com		\$13.47 variable	October rate	none	Not applicable
Dominion East Ohio Energy (Dominion subsidiary) 877-796-0957 www.dom.com		\$13.59 variable	October rate	none	Not applicable
The Energy Cooperative of Ohio through SOAR Energy 877-439-3706 www.soarenergy.org		\$14.20 variable	October rate	none	Not applicable
Shell Energy Services 877-557-4355 www.shellenergy.com/oh		\$14.90 variable	October rate One-year contract	\$25 if canceled before one year	Not applicable
WPS Energy Services 888-367-4493 www.wpsenergy.com/ohio		\$15.90 variable	October rate	none	Not applicable

*A. Customers who have had a supplier other than Dominion East Ohio for more than 12 months. B. Less than 12 months. Calculations include Dominion monthly service charge, transportation charges, gas costs, Summit County sales tax of 6.25%, and annual average household use of 114/mcf.

SOURCE: Akron Beacon Journal research by Betty Lin-Fisher
Akron Beacon Journal

Betty

How much risk are you willing to take?

Continued from Page D1

Now, let's dive into current gas pricing. But be forewarned, the waters are chilly.

Recommendations

I know you want a straight answer. But it's not that easy. As I've said in the past, which provider you choose really depends on how much risk you're willing to take.

If you think prices are only going to go up, then find the best long-term rate you can.

If you think prices can't stay this high, you might consider riding out the market with a monthly variable rate, then locking into a fixed rate if prices come down.

One marketer made a good point: If your budget can sustain higher gas prices, ride out the market with a monthly variable and take the risk.

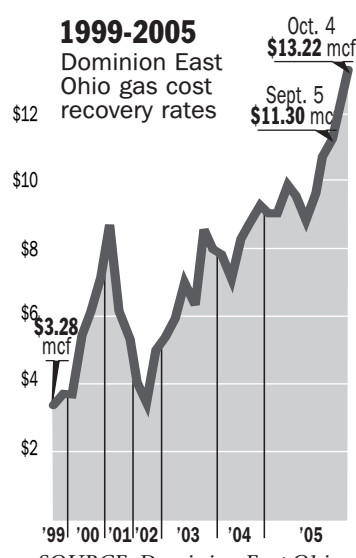
But if you are worried about whether you can afford higher prices, lock in. I locked into a rate in July with WPS for its \$10.35/mcf cap, meaning the price can only adjust down. If I had to choose now, I'd probably go with a one-year fixed rate with a cheap cancellation fee or a cap I can live with and hope that prices come down.

The answer for you may be different. You have to crunch some numbers and consider both price and cancellation fees.

Take Dominion East Ohio Energy's offer of a \$12.75/mcf fixed rate for five years with a \$100 cancellation fee.

I don't think locking into a rate for five years when we are at all-time highs (even if that price compares favorably with current prices) is the way to go.

But the five-year rate for the subsidiary of Dominion East Ohio is much cheaper per year, even with the \$100 cancellation fee, than all of the other rates. If you canceled after one year and paid the fee, you'd still be \$281.55 ahead of the best one-year fixed offer.



SOURCE: Dominion East Ohio

Dominion East Ohio Energy Spokesman Dan Donovan said the offer has a limited supply, and it may be sold out by Monday.

Details

Here are some details on my recommendations:

If you want a one-year price cap: Each of the offers is slightly different in the details of how prices will fall, but I chose Vectren's \$15.35/mcf cap because it's the lowest overall cap.

If you want a one-year fixed rate: Both Shell Energy and Vectren have a \$15.90/mcf fixed rate for one year, with a \$25 cancellation fee. I chose those over Interstate Gas' \$15.29/mcf because the savings comes out to \$73.89 a year for the average user. It's not worth Interstate's \$150 cancellation fee.

But if you're determined to stick with IGS, then you don't have to worry about the \$150.

If you want a multiyear fixed rate: Go with Dominion East Ohio Energy's \$12.75/mcf rate for five years. If you're going to go with a multiyear rate, it's cheaper to go with this one, even if you cancel early and pay the \$100 fee.

If that rate is not available, then I'd go with MXenergy's \$14.49/mcf three-year fixed rate with a \$25 cancellation fee.

If you want to ride the market with a monthly rate: Go with the company whose current rate you're happy with. But since it takes 30 to 60 days to switch suppliers, you have to

make your decision about a company based on its current monthly charges, not what you will be paying.

Richard Lubinski, a Silver Lake independent energy consultant, makes the case for going with a monthly variable rate.

"It's the wrong time in history to lock in," said Lubinski, president of Think Energy Management LLC. "It's a poor time to try to beat the market."

Personally, I'd find it hard to budget for heating costs with the price changing monthly.

If you are considering a marketer's variable rate, also understand that you can't compare it against Dominion's monthly Gas Cost Recovery (GCR) rate - the price people who don't choose another supplier pay. Dominion's price, currently \$13.22/mcf, is a month behind. Competitors' monthly prices are current market prices.

Also, if you've had a supplier other than Dominion for more than 12 months and are considering going with a monthly rate, choose a marketer and don't return to Dominion.

You started saving money after being away from Dominion for 12 months. State law allows Dominion to collect something called "unrecovered gas costs" for a year to cope with market volatility. These costs are part of the delivery charge that everyone pays. But after you've been away from Dominion for 12 months, you no longer pay that portion.

While the current "unrecovered gas cost" is only 4 cents/mcf, it changes every three months and will change again in November. It has been as high as \$1.89/mcf in the fall of 2003.

If you haven't chosen another provider in the last 12 months and are still buying your gas from Dominion East Ohio: Consider sticking it out with the monthly GCR to see whether prices come down. But if you're nervous, then pick a marketer's rate.

Betty Lin-Fisher can be reached at 330-996-3724 or blinfisher@thebeaconjournal.com. Because of heavy call and e-mail volume, she may not be able to return your message, but she may answer commonly asked questions in future columns.

Cities, schools feel the impact of rising costs

Buyers with locked-in deals get relief, but it won't last

By Carol Biliczky
Beacon Journal staff writer

So you worry that your natural gas bills are going up this winter. Pity your local community or school that buys tons of the stuff.

Even though open market prices for gas and transportation are about \$15 per thousand cubic feet (mcf) - double what many customers paid last year - some institutions have been spared the worst through long-term contracts or group purchases.

Big-volume customers are in the best position. That's why the cities of Akron, Barberton and Cuyahoga Falls, plus Summit County government and the Akron-Summit County Public Library pay just \$6.95 per mcf for gas.

"The price we're paying now is excellent, compared to the market," said Diane Miller-Dawson, director of finance for the city of Akron.

But that's likely to change when the contract expires Dec. 31. "We're shopping around now to try to lock in something for January and February," she said.

Akron's natural gas bills will be \$1 million for 2005, about \$100,000 more than last year, Miller-Dawson predicted.

The city's bill is cushioned because it heats its downtown buildings with steam from its Recycle Energy System, which normally burns wood chips and other alternative fuels.

In Stark County, 20 government entities buy their gas together through a Council of Governments.

Until now, the buying group has saved its members money, said Don Archer, administrator of the council - last year, some \$400,000 over market prices.

Unable to lock in a good price for the new two-year term, the cities of Canton, North Canton and Massillon and many townships are paying rates that fluctuate monthly.

When and if prices drop, they will lock in a lower rate, said Tom Bellish, a broker with Buckeye Energy Brokers in Twinsburg, who works with the group.

In the meantime, the largest users in the group are paying \$14.70 per mcf this month compared to \$8 per mcf last year. The smaller governments in the group are paying more - about \$15.45 per mcf.

As for schools, the Ohio Schools Council in Independence buys natural gas for 123 school districts in Northern Ohio, including the Medina County Career Center,

and Hudson, Twinsburg and Stow-Munroe Falls schools.

The council locked in a price of \$7.5 mcf last school year but is waiting to see what happens before making any new deals, said program manager Roy Van Allen.

"You can go buy gas, but you don't want to pay through the nose," Van Allen said.

The Akron school district is paying \$12.15 per mcf, said Rob Boxler, program manager for energy, environmental health and safety. That is a dramatic hike over the \$7.75 per mcf it paid last year.

The district probably pay \$4.2 million for natural gas this school year, \$1 million more than last, to heat 58 schools and seven support buildings.

Meanwhile, Kent State University has bought about half the natural gas it needs for this school year, said David Creamer, vice president of administration.

Kent's price of \$7.70 per mcf through March is enviable. But last year, the university paid about \$4 per mcf, he said.

"We're trying to be optimistic, but we know it's not going to go back to where it was," Creamer said.

Copley-Fairlawn City Schools' business manager Steve Robinson has budgeted \$300,000 for natural gas for this school year, about 36 percent more than the \$220,000 last year. He paid \$9.10 per mcf through September.

He is going month to month and is working through a broker. "We're getting better rates by shopping each month," Robinson said.

That means the district will have to find other places to cut, he said.

"We've been looking at gasoline prices recently and are especially cognizant about how many buses we use, routing of school buses, anything we can," he said, plus the district is looking harder at overtime and other expenses.

Eventually the higher prices may spell bad news to taxpayers.

"It will mean that we'll have to go back to the voters," he said.

Bellish of Buckeye Energy Brokers sees a smidgen of good news in his crystal ball.

"We think prices will rise but not much further," he said. "A lot of the worst is already priced into the market."

Carol Biliczky can be reached at 330-996-3729 or cbiliczky@thebeaconjournal.com

Energy upgrade gets tax credit

Benefit capped at \$500

By Mike Rasor
Beacon Journal business writer

Energy prices are up, but take heart. A new law offers homeowners a 10 percent tax credit for many costs related to improving energy efficiency.

This applies as long as the addition or improvement meets the federal energy-efficiency standard.

So if you install an energy-efficient pigmented metal roof, you may turn in the receipt to the government and get back 10 percent of your investment.

The tax credit also applies to water heaters, heat pumps, furnaces, boilers, windows, skylights and exterior doors. It is also good for house-enveloping strategies, such as insulation and duct sealing.

Overwhelmed by where to begin? It's a good idea to start with insulation, said Wilson Gonzalez, a senior regulatory analyst for the Ohio Consumers' Counsel.

Homeowners also should consider replacing a furnace that was made before 1992, which is when energy

standards were increased, Gonzalez said. Old furnaces are about 60 percent efficient, compared to 90 percent to 95 percent with new appliances. The energy bill provides a tax credit of up to \$300 for a new furnace.

For the most part, people with older homes have the most to improve. However, owners of new homes can invest between \$30 and \$100 for a set-back thermostat, which will program a temperature for certain times each day.

If you aren't sure how efficient your home is, a professional energy audit is a good idea, Gonzalez said. It will cost about \$400.

To be eligible for tax credits, consumers must pay for the efficiency upgrades between Jan. 1, 2006, and Dec. 31, 2007. The total tax credit is limited to \$500 during the two-year span.

Mike Rasor can be reached at 330-996-3638 or mrasor@thebeaconjournal.com.