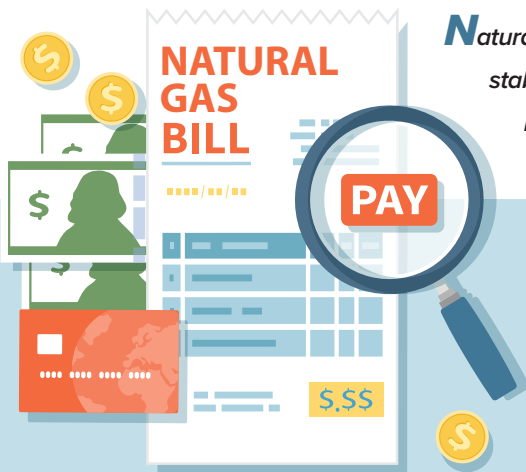


Why has my Natural Gas Bill Increased?

Natural gas prices are much higher than normal compared to the last several years of very low, stable natural gas prices. What's behind these higher prices? Several factors are at work. Below is an explanation and what you as a consumer can do to help reduce these prices.



A Quick Look at Your Natural Gas Rate

YOUR GAS RATE HAS THREE KEY COMPONENTS:

1. The **wholesale cost or market cost** of natural gas
2. The interstate **pipeline costs to deliver** natural gas to your city.
3. The **distribution cost**, or what your city charges to deliver natural gas to your home/business.

- ✓ Wholesale cost or market cost of natural gas fluctuates and has realized the most drastic increases over the last year. The market price for natural gas has increased 150% over the last 12 months
- ✓ The Interstate Pipeline cost to deliver natural gas to your county is about the same as in past years, however, this price could start to rise with limited capacity in the pipeline network.
- ✓ The distribution cost, or what the Gas Authority charges to deliver natural gas to your home/business, has not changed over the same period.



Why has the Market Price of Natural Gas Increased?

MARKET PRICE FOLLOWS SUPPLY AND DEMAND. CURRENT DEMAND FOR NATURAL GAS IS GREATLY EXCEEDING CURRENT SUPPLIES.



REASON #1 INCREASED DEMAND FOR ELECTRIC POWER GENERATION

There is an increased demand from electric power generators as they move away from coal to natural gas. Electricity must be generated from another fuel source and almost all new generating facilities are natural gas powered. Natural gas is a clean burning fuel helping to reduce emissions.

Electric power generators also use natural gas to support wind and solar electric generation since there are reliability issues with renewable energy when the wind does not blow or on cloudy days.



REASON #2 INCREASED DEMAND FOR LIQUEFIED NATURAL GAS (LNG) EXPORTS

Due to worldwide events there is an increased demand for LNG in European and Asian markets.

Gas prices in international markets are much higher than prices in the U.S. prompting natural gas producers to export natural gas to these markets.



REASON #3 FEDERAL REGULATIONS AND POLICIES

The Atlantic Coast Pipeline project designed to bring natural gas to the Southeast was canceled due to policies and regulations opposing this necessary infrastructure.

The Mountain Valley Pipeline project, which began over 7 years ago and was designed to bring natural gas to West Virginia and Virginia, continues to be stalled due to regulatory legal battles.

Federal policies standing in the way of projects like these create obstacles for producers creating unneeded shortages in natural gas supplies and adversely impacts our energy affordability, security and energy reliability.

Important Facts

- ✓ The U.S. has over 100 years, of proven reserves, of clean-burning natural gas supply currently available, with potential for more supplies beyond these estimates.
- ✓ There are 2.6 million miles of safe, reliable pipelines working to deliver natural gas where it's needed every day.
- ✓ The efficient natural gas energy delivery system has provided the most affordable energy for households for decades, according to the Department of Energy.
- ✓ The gas industry has the ability to construct the necessary infrastructure to bring natural gas to U.S. markets.
- ✓ High natural gas prices harm American households through higher heating, water heating, and cooking costs.
- ✓ Because natural gas is used to generate a large portion of our electricity, electricity rates are headed for unprecedented high levels.



WHAT CAN I DO?

There is no reason natural gas prices should be inflated to their current levels. **Reach out to your State and U.S. Representatives and express your concern over policies that limit natural gas production and expansion of the pipeline network.**

SENATOR TIM SCOTT

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