

# weather & economy

play a role  
in natural gas  
costs ●●●

**There is no crystal ball to help predict natural gas costs.** But answers to the following questions can help you better understand gas prices and how to deal with the uncertainty.

**Q.** *Why have there been such large swings in natural gas prices lately?*

**A.** Many factors, including gas production levels, weather, the amount of gas in storage and changing industrial demand, can cause price spikes or plunges. Natural gas contracts traded on the New York Mercantile Exchange are marked sometimes by large price swings from year-to-year and even day-to-day.

**Q.** *Can you give an example of price swings?*

**A.** National market prices dropped to \$4 per thousand cubic feet (mcf) in July, largely because economic conditions weakened industrial natural gas demand. Last year, hotter-than-normal summer weather spurred higher air conditioning-related electric generation demand, resulting in prices that exceeded \$13 per mcf. By comparison, natural gas prices in July 2007 were around \$7 per mcf.



**Dominion®**

**Q.** *Generally speaking, have prices been increasing over the last decade?*

**A.** Increasing use of clean-burning natural gas for generating electricity has played a major role in driving up prices nationally. Traditionally, gas prices rise during the winter heating season and fall in the summer when heating demand is lower. But more recently, such as in 2008, summer gas prices actually increased because of higher electric generation demand.

**Q.** *Will the recent downward trend in gas prices continue?*

**A.** Increased natural gas production helped lower prices earlier this year, but reduced drilling eventually could bring the market into a greater supply-and-demand balance. With so many factors affecting prices, it is very difficult to predict what they will be with any certainty.

**Q.** *Is there any way for a customer to deal with this uncertainty?*

**A.** Shop wisely by understanding what influences gas prices and reviewing supplier-pricing options. Energy Choice suppliers and governmental aggregation programs offer both variable and fixed prices. You also can opt for monthly variable rates through a *Standard Choice Offer* or *Monthly Variable Rate* from an approved supplier. A fixed rate can provide greater certainty, but remember it sometimes can be more than the variable price.

**Q.** *How can customers learn more about their options?*

**A.** All choice-eligible customers can evaluate their various options at:

**1.** [www.DominionGasChoice.com](http://www.DominionGasChoice.com), which has interactive, one-stop shopping information;

**2.** with the Public Utilities Commission of Ohio's "Apples To Apples" comparison chart ([www.puco.ohio.gov](http://www.puco.ohio.gov), or 1-800-299-7271); or

**3.** the Ohio Consumers' Counsel's "Comparing Your Energy Choices" chart ([www.pickocc.org](http://www.pickocc.org), or 1-877-742-5622).