



**IT'S TIME  
SOMEONE  
OPENED YOUR  
EYES TO THE  
TRUTH ABOUT  
NATURAL GAS.**

**SOMETIMES THINGS ARE  
NOT WHAT THEY SEEM.**

Here's what we know about natural gas: We know that presently, the price of natural gas is lower than the price of Oilheat. We also know that the natural gas utilities are jumping on their soapboxes, telling everyone within earshot that they should convert. But ...





**... WHEN IT COMES TO THE  
GAS UTILITIES' CLAIMS  
ABOUT LOW PRICES,  
THERE ARE A FEW THINGS  
THEY WON'T TELL YOU.**

## **HERE'S WHAT THE GAS UTILITIES ARE NOT TELLING US ...**



- **Historically, Oilheat Has Been a Better Value.** In several northeastern states, Oilheat has been less expensive than utility gas, when you compare on a heating-capacity basis (BTU-for-BTU), nearly every year since 1988.<sup>1</sup>
- **Consider Efficiency, Not Price.** You have to look beyond which energy source costs more (or less) from year to year and consider that system efficiency has improved so much in recent years that the average Oilheated home cut oil consumption by 33.6% between 1978 and 2005.<sup>2</sup>

• **What about the Weather?** The warmer weather during winter 2011-12 has meant that Oilheat users in the northeastern US have used less fuel than usual. If you had utility gas, however, you'd be paying an extra "weather normalization adjustment" fee each month during the heating season. Why? Because "a warm winter can cause serious financial difficulty for gas utility companies hurt by declining sales because they may not be earning enough income through the distribution charges to cover fixed expenses."<sup>3</sup> That's right. When gas heat customers use less, they have to pay more.

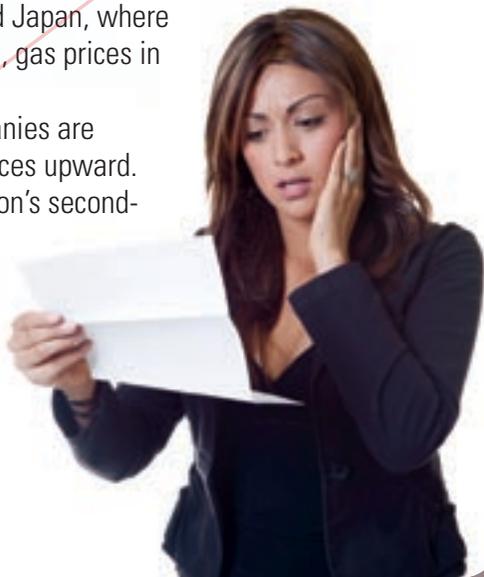


• **Natural Gas' Price Advantage Is Short-Term.**

A combination of circumstances virtually guarantees that the price of natural gas will increase in the years ahead. For instance, natural gas use for power generation rose 7% between 2009 and 2010, and those numbers continue to climb.<sup>4</sup> Translation: as more power plants switch from coal to natural gas, the price of natural gas will most likely increase.

Moreover, the natural gas companies are moving to export large quantities of natural gas overseas to Europe and Japan, where it commands a higher price. Should this happen, gas prices in the US could rise 54% within 6 years.<sup>5</sup>

**It doesn't end there.** The natural gas companies are moving to cut production in an effort to drive prices upward. For instance, Chesapeake Energy Corp., the nation's second-largest producer of natural gas, announced that it would cut daily production by 8% – a move "designed to reduce the glut of natural gas in the US, and therefore increase prices."<sup>6</sup>



<sup>1</sup>Energy Information Administration; <sup>2</sup>National Oilheat Research Alliance;

<sup>3</sup>Columbia Gas (Maryland) website; <sup>4</sup>EIA Annual Energy Outlook 2012;

<sup>5</sup>Industry Week, *Natural Gas Exports Could Raise Prices 54% by 2018*,

January 23, 2012; <sup>6</sup>Chicago Tribune, *Natural Gas Glut, Low Prices, Prompt Chesapeake to Cut Exploration*, January 23, 2012.

# TO LEARN THE TRUTH ABOUT NATURAL GAS ...

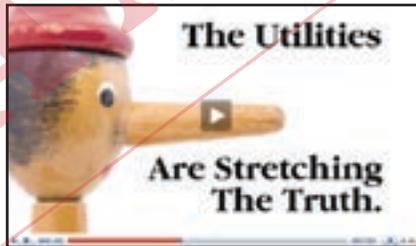
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2. VISIT



3. WATCH



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