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City of Duluth Communications Office

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SUBJECT: Demand for Natural Gas Results in Rate Increase

BY: Pakou Ly, Public Information Coordinator

Demand for Natural Gas Results in Rate Increase

[Duluth, MN] - The extreme winter cold this year has caused demand for natural gas to skyrocket across the nation. This has pushed wholesale natural gas prices significantly higher in recent months. Here in Duluth, the current gas rate for residential customers will be \$1.40 per 100 cubic feet, compared to \$1.00 in February, and \$.78 in January. Commercial and Industrial customers will see a price increase that is proportional to the residential rate. Customers will see this increase reflected in the PGA (Purchased Gas Adjustment) portion of their bill.

Even with this higher cost, natural gas energy is still the most economic choice for home heating. It represents only about half the cost of other fuels and energy sources. Currently, natural gas is only 40 percent of the cost of propane, 48 percent of the cost of electricity, and 51 percent of the cost of #2 fuel oil.

Customers should expect to see this rate increase reflected in their upcoming billing statement. Anyone interested to learn more about reducing heating costs, should call Comfort Systems at (218) 730-4060 to find out about reducing energy consumption through an Advanced Home Energy Audit or Home Energy Check-up.

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