

PIPELINE



The Driver Behind the Natural Gas Price



The fall colors will unfortunately usher in increased natural gas prices. I write to you this month in an attempt to provide an explanation for the increase. I have an obligation morally and professionally to be truthful in all ways. This article is written, not to incite fear and/or panic, but to illuminate a growing problem regarding our country's energy network. The Natural Gas that you consume in your home is purchased by DC Gas on the open market. Numerous acquisition methods are used by DC Gas in order to purchase clean-burning natural gas for our customer at the most reasonable price possible while attempting to limit exposure to market risk. As of the writing of this column, the market price for Natural Gas in the U.S. has increased approximately seventy-five percent from October 2021. In the last three months, the U.S. price has reached twenty-year highs. The obvious question to ask is: Why the increase nationally?

The Natural Gas price is affected by multiple factors, but the primary driver for the price is supply and demand. First, U.S. demand has increased significantly for electric power generation. In the last decade, a significant number of power generators in the U.S. have migrated from coal-fired

generation to natural gas generation. In total, since 2012, coal-fired generation has been reduced by approximately

forty-one percent, and natural gas-fired generation has increased by approximately twenty-eight percent (www.eia.gov). Natural gas power generation is also being widely used across the country to support wind and solar power generation. Natural gas is providing stability to those intermittent

and often unreliable renewable energy sources. Next, the increase in demand in Europe and Asia for liquefied natural gas (LNG) imports has also driven the increased price in the U.S. In total, since 2019, LNG exports from the U.S. have increased by approximately ninety-six percent (www.eia.gov). The uncertainty regarding the reliability of Russian natural gas supply to Europe has created even more demand for U.S. exports. Lastly, Federal policy and regulation has limited pipeline expansion further restricting supply. Multiple pipeline projects designed to bring natural gas from the Northeast to the Southeast have been delayed and/or cancelled due to regulatory and legal battles.

The U.S. and the world have relied on clean-burning and efficient natural gas for decades, and the consistently growing demand for natural gas in our inflationary economy has pressured the price to increase. Again, this article is written not to incite fear and/or panic, but to illuminate a growing problem



Jayson Higdon
General Manager

regarding our country's energy network. The reliability and consistency of your natural gas supply from DC Gas

is not in question. Your gas supply is safe and abundant, but there is much uncertainty in the world's economy related to the price of natural gas. The simplest approach to solving the price problem is to produce more (more supply equals lower price), but regulatory and legal battles await those producers.

It's important to the continued success of our country and its economy that natural gas in our homes remains a vital part of the energy portfolio.

If you choose to consume national media, it takes little effort to see and/or hear a push to "green energy." A push for electric automobiles, total electric homes, etc. Electricity is of extreme importance to each of our homes. We are excessively blessed in our area to be served by the great men and women of Sand Mountain Electric, Cherokee

Electric, Alabama Power, and Marshall DeKalb Electric that provide consistent, reliable, and safe electricity to our homes. Simply stated, the answer is not "either electricity or fossil fuels," but the approach must be "both electricity and fossil fuels." If the electric grid in the U.S. is supported by natural gas fired power plants, shouldn't our homes also be allowed to continue to harness this efficient and clean energy?

Important Items to Note:

- Estimates reflect that the U.S. has about 100 years of clean-burning natural gas supply currently available, with potential for more supplies beyond these estimates.
- There are over 2.5 million miles of natural gas pipelines in the U.S. According to the Department of Energy, the efficiency of the natural gas energy delivery system has provided the most affordable energy for households for decades.

What can be done?

Your vote and your voice matter greatly. The wisdom of our founders in establishing a representative republic ►

■ **RESIDENTIAL RATE:**
■ Effective September 1, 2022
■ \$1.35 per Therm

■ **PREVIOUS RATE:**
■ \$1.20 per Therm

◀ gives your individual voice an opportunity to be heard. Please contact your Federal Representatives. Express your concern regarding policies that limit natural gas production, and policies limiting the expansion of the natural gas pipeline network. Remain involved in your state and local political agenda to ensure that you have protection over your energy choice. Thankfully, in our state, HB-446 was passed in May 2021, providing that, "...no governmental entity

may prohibit a person or entity from using utility services from a provider that is capable of providing service..." This act ensures protection for Alabamian's ability to choose natural gas for your energy needs, and prohibits local governments from limiting that choice.

For almost seventy years, DC Gas has provided safe, clean, and reliable natural gas to the homes and businesses of DeKalb, Cherokee, and Etowah Counties. Our gas supply is abundant, and our

pipeline network is safe, expansive, and growing daily. We recognize that you have a choice in your energy provider, and we thank you for choosing natural gas. External factors may change the price we must charge, but our commitment to serving you will not change. We look forward to continuing to serve you.

Jayson Higdon
DC Gas General Manager

Bring on the Heat

If you're looking for an alternative to a wood-burning fireplace, a gas log fireplace or gas heater make a low-maintenance choice. No more chopping and stacking wood or cleaning up ashes. Light a fire with the touch of a button (even remote control in some units). Gas log fireplaces produce beautiful, realistic flames to create an authentic look.

You can also save money on heating bills by turning your central heat down and using a gas log fireplace or gas heater in the area of your home that gets the most use.

Have your fireplace or heater inspected by a qualified service technician with an annual check-up, ensuring your connections are tight, and clean and clear of debris around the gas log insert. Call DC Gas at 256-845-3731 to set up an inspection. There is a \$15 service fee.



Empire – Flint Hill Vent-Free Burner and Logs – 34,000 BTU: \$549

Gas Log Sets

Our appliance department offers several choices in gas log sets.

Get a matching log set like the White Mountain Hearth made by Empire Comfort Systems. These vent-free gas logs create a realistic blaze and deliver

rich warmth. They range in price from \$409 to \$549.

The Robert H. Patterson Real Fyre premium gas logs are handcrafted, detailed logs with active natural flames and glowing embers for the look of a wood fire. These sets have 99 percent heating efficiency and have a variety of control options. They range in price from \$959 to \$1,199.



HearthRite Blue Flame Vent-Free Gas Heater – 20,000 BTU: \$279

Gas Heaters

When temperatures drop you want to turn up the heat. We have four sizes of HearthRite blue flame, vent-free heaters. These heaters are efficient and heat your home when the electricity goes out. The 6,000 BTU is manual control only, while the 10,000 BTU (\$229), 20,000 BTU (\$279), and 30,000 BTU (\$319) units operate with a thermostat.

The HeatStar blue flame heater 30,000 BTU unit is also priced great at \$289. It operates with a thermostat and includes a blower and wall or floor mount.



Make Culinary Memories This Holiday Season

Let's talk turkey about holiday cooking. About 46 million turkeys are prepared and eaten each Thanksgiving. For a gas oven, the process for cooking a turkey is the same as an electric oven: cook on about 325 degrees for 3.5 to 4.5 hours (for a 15- to 20-pound turkey). If you're among the Americans who will cook a turkey this holiday, here are a few tips:

- 1) Allow one pound of turkey per person.
- 2) Buy a fresh turkey only one to two days before you plan to cook it.
- 3) Keep the turkey refrigerated until you're ready to cook.
- 4) Place a tray or pan below the turkey to catch juices.
- 5) If you buy a frozen turkey, start thawing it three to four days before you plan to cook it (depending on the size). Keep it in the original wrap and thaw in the refrigerator or in cold water.

If you have a gas oven, you're in good company. More than 85 percent of professional chefs prefer natural gas for cooking.