

DON'T GET ZAPPED BY THE UTILITIES



Electric rates are rising and rising, with no signs of stopping anytime soon. ...That's one thing you can "thank" the natural gas utilities for.

ELECTRICITY RATES ON THE RISE

- From 2004 to 2016, the annual average price of electricity has risen **from 8.95 cents/kWh to 12.53 cents/kWh, an increase of more than 30%**.
- The retail price of electricity is expected to jump again in 2017, to 12.87 cents/kWh.
- Electricity rates have risen most for homes in New England and the Mid-Atlantic states, though they're up all across the country ([EIA STEO 12/16](#)).



One of the biggest contributors to rising residential electricity rates is the increasingly strained natural gas distribution system. Insufficient pipeline capacity has prevented natural gas from reaching the power plants that rely on it to generate electricity.



MORE AND MORE POWER PLANTS RUN ON NATURAL GAS

- From 2002 to 2013, electricity generation from natural gas increased from 639,129 mWh to 1,113,655 mWh, an increase of 75%.
- In 2015, natural gas accounted for 33% of all U.S. electricity generation; this number is expected to increase to 34% in 2016.
- Looking ahead, the **EIA expects natural gas to fuel more than 60% of new electricity generation needed from 2025-2040**.
- According to some estimates, natural gas will account for 42% of all electricity generation in 2040 ([EIA Annual Energy Outlook 2016](#)).

As more and more power plants turn to natural gas, and less and less natural gas is available, residential electricity rates continue to increase, as does the likelihood of brownouts and blackouts occurring in the coldest weeks of winter and the hottest days of summer ([Wall Street Journal](#)). So who actually does benefit from natural gas-fueled electricity?

THE ELECTRIC UTILITIES STAND TO TURN RECORD PROFITS

- Because of the way utilities are regulated, they actually earn more as they spend more.
- Since 2004, utilities' annual capital expenditures have more than doubled, from \$41 billion to \$103 billion. Total capital spending for 2004-2016 is expected to surpass \$1 trillion.
- Much of this money goes to pay for new natural gas-fueled power plants, and residential ratepayers foot the bill.
- In 2013, electric utilities earned \$36 billion, 36% more than they did in 2004 ([Wall Street Journal](#)).
- For 2015-16, National Grid reported an operating profit of \$5.2 billion, an increase of \$.5 billion since 2013-14 ([National Grid](#)).

The more people convert to natural gas, the more you pay for electricity. Why make a bad situation worse on you, your family and your neighbors?

DON'T CONVERT YOUR FUEL. CONVERT YOUR THINKING.

For more information on these points, or other questions about switching your home heating fuel, talk to your Oilheat dealer.

For more information about these and other facts, visit www.AmericanEnergyCoalition.org

