

Companies reap profits from rising heating rates

Consumers work to alleviate rising heating cost issues. As prices increase, home owners research options for heating their homes, thus helping to reduce their costs. At the same time, home owners are receiving letters from IGS Energy (IGS). We received and read numerous mailings from IGS.

IGS reports the New York Times reporting that “Utilities turn from coal to gas, raising risk of price increase.” But just who is IGS and why are they sending mailings like this to me? According to their Web site, “IGS Energy is a regional provider of natural gas to both residential and commercial customers. Thanks to deregulation, natural gas customers now have the opportunity to pay a fraction of the price for natural gas as compared to utility supply costs.”

This only helps me a little in determining who this company is. Being a home owner and one that uses natural gas to heat my home, this information has become very important to me. Over the years, the deregulation of natural gas has allowed me to determine how to heat my home, or rather who to do business with regarding my natural gas needs.

According to the New York Times, the newspaper did write a news article that IGS quoted correctly.

What this article speaks of is that electric companies (utilities) will turn from coal to operate the generators, making the electric, to switch to natural gas to operate generators that make the electric. They say the experts fear a boom in gas demand will send the price of natural gas even higher than it is now.

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“It has happened before: The price of natural gas tripled in the late 1990s and early in this decade, partly because so many companies built generators to use the fuel. In some places, the power plants became white elephants as higher gas prices made them too expensive to operate, compared with coal plants,” said Matthew L. Wald, New York Time reporter.