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NEWS RELEASE

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Cold Weather is Producing Higher Electric Bills, PSC Says

Customers advised to look into payment plans or heating assistance

FRANKFORT, Ky. (Feb. 6, 2018) – Prolonged and severe cold in December and January has led to sharply higher electric bills for customers across Kentucky, the Kentucky Public Service Commission (PSC) says.

For many customers – particularly those who heat entirely or primarily with electricity - bills received from late December through January have been much larger than those for the previous billing period.

That is because the National Weather Service (NWS) measure that tracks the need for home heating was, in December, about 75 percent higher than in November. January heating demand was up another 14 percent over December, or roughly double that in November.

“When you have prolonged periods of sub-freezing weather, as we have had this winter in Kentucky, the amount of energy needed to heat your home goes up dramatically,” PSC Chairman Michael Schmitt said. “And energy usage is by far the most important factor in determining energy costs.”

Schmitt said customers who are concerned about high electric bills should first contact their utility company for information about payment plans or heating assistance.

“The PSC consumer services staff will do all they can to help customers who cannot resolve issues with their utility providers,” he said. “They also can guide people to sources of assistance in their communities.”

Almost all of the hundreds of inquiries about high energy bills the PSC has received since late December have been about electric service. Customers who heat with natural gas have not seen comparable increases.

That is because the amount of electricity needed for heating rises sharply in times of extreme cold. Even the most efficient heat pumps won’t work very well once the temperature drops more than a few degrees below freezing.

During periods of prolonged cold, all-electric heating systems switch on resistance (or strip) heating, which consumes much more electricity than the heat pump. “It’s like heating your house with a large toaster, and your usage goes up exponentially as a result,” Schmitt said.

In contrast, natural gas heating systems work essentially the same way no matter the temperature.

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Electric consumption this winter not only rose sharply as milder weather in November turned colder in December and January, but also significantly from last year due to the much colder weather. November and December of 2016 and January of 2017 were all warmer than normal, as measured by the NWS.

In contrast, while November of 2017 was slightly warmer than normal, it was 20 percent colder than the year before. December 2017 was slightly colder than December 2016, while last month was 42 percent colder, in terms of heating demand, than the unusually warm January of 2017.

The NWS uses a measure known as heating degree days to measure heating demand. Heating degree days occur when the average daily temperature drops below 65 degrees. Each degree below 65 degrees produces a heating degree day, so a day with an average temperature of 30 degrees creates 35 heating degree days.

The chart below shows the heating degree days for November, December and January of this winter and last winter, with the departure from normal in parentheses for each month (+ means colder than normal; - means warmer). The numbers are an average of eight weather stations spanning Kentucky. (Details for each weather station follow this release.)

	November	December	January
2017-2018	516 (-14)	904 (+35)	1,034 (+79)
2016-2017	428 (-95)	847 (-15)	728 (-226)

PSC Chairman Schmitt noted that customers can take action to manage their heating bills.

“Electric utilities in Kentucky offer even-payment plans that enable customers to reduce month-to-month fluctuations in their bills,” he said. “Energy bills become predictable and are far less subject to weather-related swings. Customers should contact their utility for more information.”

Utilities also may make one-time payment plan arrangements with customers. PSC regulations require a utility to offer a payment plan only after a customer receives a disconnect notice and only to customers who do not have previously unpaid bills. But utilities may offer such plans under other circumstances at their discretion.

Schmitt said customers who are having trouble paying their bills should check to see whether they are eligible for heating assistance, either through the Low-income Home Energy Assistance Program, or LIHEAP, which is operated by local community action agencies, or through programs operated by their utility provider.

In the long term, the best way to combat high energy usage is through energy conservation, Schmitt said. Even modest investments, such as adding weather stripping around doors and windows or switching to high-efficiency lighting, can pay off in lower electric bills, he said.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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***QUESTIONS OR PROBLEMS REGARDING YOUR UTILITY SERVICE?
CALL THE PSC CONSUMER HOTLINE: 800-772-4636***

CONSUMER INFORMATION AND WEATHER DATA SHEETS FOLLOW

COPING WITH HOME HEATING COSTS

Information for consumers

Kentucky consumers can take a number of steps to reduce their natural gas usage or to soften the impact of gas costs. They include:

Budget billing: This option allows customers to pay the same amount each month, based on their average monthly usage during the year. Customers should contact their utility for more information.

Energy conservation measures: Simple steps such as turning down thermostats on furnaces (most people are comfortable at 68 degrees) and water heaters (120 degrees is hot enough for nearly all uses) can be big energy savers.

Weatherization: Consumers can do a number of things to reduce inflows of cold air and leakage of warm air, particularly around windows and doors. Some basic weatherization steps include:

- Use caulk or weatherstripping to seal cracks around windows, doors, pipes and other points where cold air can enter the home. This alone can reduce heating costs by 10 percent or more.
- Install energy-efficient doors and windows.
- Add insulation in attics, crawl spaces and walls.
- Cover windows, especially those with single-pane glass, with storm windows or plastic sheeting before the onset of cold weather.
- Clean or replace furnace filters monthly to improve airflow and efficiency.

Advice on conserving energy, including links to a wide range of information, also is available from the Kentucky Division of Efficiency and Conservation on the Web at:

<http://energy.ky.gov/efficiency/>.

General information on energy programs to assist low-income Kentuckians can be found on the Community Action Kentucky website at:

<http://www.communityactionky.org/energy-assistance.html>

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Weatherization assistance for low-income families is available in Kentucky. Many utilities offer weatherization assistance in conjunction with local social service agencies. Local social service agencies also offer assistance through a state program administered by the Kentucky Cabinet for Health and Family Services. For information on weatherization assistance, go to:

<http://www.communityactionky.org/weatherization.html>

Low-income consumers may qualify for assistance with their heating bills through the Low-Income Home Energy Assistance Program (LIHEAP). It is administered at the local level by community action agencies. Consumers who do not qualify for LIHEAP may be eligible for assistance through programs sponsored by their utility company or programs operated by local social service organizations. Consumers should contact their utility for more information. Information about LIHEAP is available on the Web at:

<http://chfs.ky.gov/dcbs/dfs/LIHEAP.htm>

For general information about cutting heating costs, utility issues or for assistance with resolving consumer disputes with utilities, contact the PSC by calling 800-772-4636 or go to the PSC Web site at:

<http://psc.ky.gov>

HEATING DEGREE DAYS BY WEATHER STATION

NUMBER IN PARENTHESES IS DEPARTURE FROM NORMAL. NEGATIVE NUMBERS SIGNAL WARMER THAN NORMAL WEATHER; POSITIVE NUMBERS ARE COLDER THAN NORMAL.

ASHLAND AREA (HUNTINGTON, WV)

	November	December	January
2017-2018	527 (-21)	910(+42)	1,014 (+45)
2016-2017	459 (-96)	809 (-59)	718 (-251)

BOWLING GREEN

	November	December	January
2017-2018	481 (-19)	837 (+16)	987 (+79)
2016-2017	400 (-100)	795 (-26)	640 (-268)

JACKSON

	November	December	January
2017-2018	488 (-15)	880 (+46)	999 (+67)
2016-2017	404 (-99)	797 (-37)	698 (-234)

LEXINGTON

	November	December	January
2017-2018	528 (-33)	924 (+23)	1,045 (+50)
2016-2017	453 (-108)	857 (-44)	761 (-234)

LOUISVILLE

	November	December	January
2017-2018	526 (-22)	923 (+22)	993 (+60)
2016-2017	382 (-111)	831 (-10)	721 (-212)

NORTHERN KENTUCKY (AIRPORT)

	November	December	January
2017-2018	591 (-7)	1,007 (+48)	1,115 (+62)
2016-2017	513 (-85)	969 (+10)	848 (-205)

OWENSBORO

	November	December	January
2017-2018	509 (+39)	898 (+89)	1,069 (+168)
2016-2017	423 (-47)	883 (+74)	745 (-156)

PADUCAH

	November	December	January
2017-2018	474 (-36)	851 (-3)	1,040 (+98)
2016-2017	397 (-113)	826 (-28)	694 (-248)

SOURCE: NATIONAL WEATHER SERVICE