

National Energy Assistance Directors' Association

For Immediate Release

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Home Heating Costs Expected to Hit Record Highs for Heating Oil Users

WASHINGTON, DC Rising prices for heating oil are estimated to cost the average family \$270 more this winter to heat their home than last year, according to a recent study released today by the National Energy Assistance Directors' Association (NEADA). Heating costs for the average family averaged about \$1263 last winter and are projected to hit \$1541 based on current market prices during the upcoming winter heating season. This represents an increase of 22% (\$278) over last winter's prices and 62% over (\$589) the winter heating season of 2003-04.

| Heating Oil | 2003-04 | 2004-05 | 2005-06 * |
|-----------------------|---------|---------|-----------|
| Retail Price | \$1.36 | \$1.82 | \$2.22 |
| Consumption (gallons) | 700 | 694 | 694 |
| Expenditures | \$952 | \$1,263 | \$1,541 |

*projected

The data projections are based on energy futures prices for heating oil for the upcoming winter heating season. Data used for the 2004 and 2003 winter heating seasons are based on Energy Information Administration's Winter Fuel Outlook series.

According to Mark Wolfe, Executive Director of NEADA, "the increase in heating oil futures prices should be a wake-up to the Congress that the burden of increasing energy prices will significantly increase the cost of home heating this winter and will fall hardest on low income families. The Low Income Home Energy Assistance Program (LIHEAP) was designed to help make energy affordable for low income families. Rising energy prices are rapidly reducing the purchasing power of LIHEAP, and the recent action by the House Appropriations Committee does not take into account the impact of these price increases on working, disabled, and elderly families served by LIHEAP."

The House Appropriation's Committee recent action to reduce funding for LIHEAP from \$2.182 billion in FY 2005 (\$1.884 billion in regular grant funds and \$297.6 million in emergency funds) to \$1.984 billion (all regular grant funds and no emergency funds). NEADA, as well as other organizations are calling on the Congress to increase funding to \$3.4 billion to address the expected increase in home energy prices this winter.

NEADA represents the LIHEAP directors.

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